AGENDA

EL SEGUNDO CITY COUNCIL
REGULAR MEETING
TUESDAY, APRIL 19, 2022

4:00 PM CLOSED SESSION
6:00 PM OPEN SESSION

CITY COUNCIL CHAMBER
350 MAIN STREET, EL SEGUNDO, CA 90245

THE CITY COUNCIL CHAMBER IS NOW OPEN TO THE PUBLIC

Drew Boyles, Mayor
Chris Pimentel, Mayor Pro Tem
Carol Pirsztuk, Councilmember
Scot Nicol, Councilmember
Lance Giroux, Councilmember

Tracy Weaver, City Clerk
Matthew Robinson, City Treasurer

Executive Team

Darrell George, Interim City Manager
Barbara Voss, Deputy City Manager
Jaime Bermudez, Police Chief
Michael Allen, Dev. Services Director
Elias Sassoon, Public Works Director
John Jones, Interim Com. Services Dir.
Mark Hensley, City Attorney
Joe Lillio, Chief Financial Officer
Deena Lee, Fire Chief
Rebecca Redyk, HR Director
Charles Mallory, IT Director
Elias Sassoon, Public Works Dir.

MISSION STATEMENT:
"Provide a great place to live, work, and visit."

VISION STATEMENT:
"Be a global innovation leader where big ideas take off while maintaining our unique small-town character."

The City Council, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Any writings or documents given to a majority of City Council regarding any matter on this agenda that the City received after issuing the agenda packet are available for public inspection in the City Clerk's Office during normal business hours. Such documents may also be posted on the City's website at www.elsegundo.org and additional copies will be available at the City Council meeting.

Unless otherwise noted in the agenda, the public can only comment on City-related business that is within the jurisdiction of the City Council and/or items listed on the agenda during the Public Communications portions of the Meeting. Additionally, members of the public can comment on any Public Hearing item on the agenda during the Public Hearing portion of such item. The time limit for comments is five (5) minutes per person.

Those wishing to address the City Council are requested to complete and submit to the City Clerk a "Speaker Card" located at the Council Chamber entrance. You are not required to provide personal information in order to speak, except to the extent necessary for the City Clerk to call upon you, properly record your name in meeting minutes and to provide contact information for later staff follow-up, if appropriate.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 310-524-2305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

4:00 PM CLOSED SESSION – CALL TO ORDER / ROLL CALL

PUBLIC COMMUNICATION – (RELATED TO CITY BUSINESS ONLY – 5-MINUTE LIMIT PER PERSON, 30-MINUTE LIMIT TOTAL) *Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda. City Council and/or City Manager will respond to comments after Public Communications is closed.*

SPECIAL ORDERS OF BUSINESS

RECESS INTO CLOSED SESSION: City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City's Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City's Labor Negotiators.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code §54956.9(c): -1- matter.

CONFERENCE WITH CITY'S LABOR NEGOTIATOR (GOV'T CODE §54957.6): -2-MATTER(S)

1. Employee Organizations: Fire Fighters Association and Police Officers Association

Agency Designated Representative: Irma Moisa Rodriquez, Interim City Manager, Darrell George, and Human Resources Director, Rebecca Redyk.

6:00 PM – CONVENE OPEN SESSION – CALL TO ORDER / ROLL CALL

INVOCATION – TBD

PLEDGE OF ALLEGIANCE – Mayor Pro Tem Pimentel

SPECIAL PRESENTATIONS

1. Recognition of ESHS Girls' Soccer CIF Champions
2. 2021 Police Officer and Civilian of the Year
3. Recognition of the City's All-Hazards Incident Management Team
4. Fired Up Girls' Fire Camp Update
5. 30th Annual Big 5 Run for Education

6. National Donate Life Month
7. Earth Day April 22, 2022

PUBLIC COMMUNICATIONS – (RELATED TO CITY BUSINESS ONLY – 5 MINUTE LIMIT PER PERSON, 30 MINUTE LIMIT TOTAL) *Individuals who have received value of $50 or more to communicate to the City Council on behalf of another, and employees speaking on behalf of their employer, must so identify themselves prior to addressing the City Council. Failure to do so shall be a misdemeanor and punishable by a fine of $250. While all comments are welcome, the Brown Act does not allow Council to take action on any item not on the agenda. The Council will respond to comments after Public Communications is closed.*

CITY MANAGER FOLLOW-UP COMMENTS – (Related to Public Communications)

A. PROCEDURAL MOTIONS

Read All Ordinances and Resolutions on the Agenda by Title OnlyA

Recommendation -

Approval

B. CONSENT

8. **City Council Meeting Minutes**

Recommendation -

1. Approve Special and Regular City Council Meeting Minutes of March 15, 2022 and Special City Council Meeting Minutes of April 7, 2022

9. **Warrant Demand Register for February 28, 2022 through April 03, 2022**

Recommendation -

1. Ratify payroll and employee benefit checks; checks released early due to contracts or agreements; emergency disbursements and/or adjustments; and, wire transfers.

2. Approve Warrant Demand Register numbers 17B, 18A, 18B, 18C and 19A: warrant numbers 3039691 through 3040213, and 9002407 through 9002478.

10. **Second Reading of Ordinance adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).**

Recommendation -

1. Waive second reading and adopt Ordinance No. 1635 adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).

11. **Second reading of Ordinance Adopting an Amendment to the Smoky Hollow Specific Plan (Specific Plan Amendment No. 21-02) to Allow for Increased Building Heights within a Designated Subarea of the Smoky Hollow Specific Plan Area Subject to the Approval of a Tier II Community Benefits Plan.**

Recommendation -

1. Waive second reading and adopt an Ordinance amending the Smoky Hollow Specific Plan (Specific Plan Amendment No. 21-02) to allow for increased building heights within a designated subarea of the Smoky Hollow Specific Plan Area, subject to approval of a Tier II Community Benefits Plan.

12. **Ordinance Approving an El Segundo Police Department Military Equipment Use Policy**

Recommendation -

1. Waive the first reading and introduce an ordinance approving an El Segundo Police Department military equipment use policy in accordance with California Assembly Bill 481.

2. Schedule the second reading of the ordinance at the next regular City Council meeting on May 3, 2022.

13. **Notice of Completion for the City Hall Windows Replacement Project**

Recommendation -

1. Accept the City Hall Window Replacement Project by A.J. Fistes Corporation as complete.

2. Authorize the City Clerk to file a Notice of Completion in the County Recorder’s office.

14. **Amendment to Agreement with California Consulting, Inc. for Grant Writing Services**

Recommendation -

1. Authorize City Manager to execute an amendment to agreement #6129 with California Consulting, Inc., in the amount of $30,000 for professional grant writing consulting services for the City of El Segundo.

15. **Construction Contract with Gentry General Engineering, Inc. for $200,010.61 for Construction of New Sidewalks**

Recommendation -

1. Reject LA Design Group's bid as nonresponsive.

2. Authorize the City Manager to execute a standard Public Works Construction Contract with Gentry General Engineering, Inc. for $200,010.61 for the construction of new sidewalks along the south sides of 400 block of West Mariposa Avenue and 300 block of West Pine Avenue, Project No. PW 21-07, and authorize an additional $20,000 as contingency funds for potential unforeseen conditions.

16. **Automatic Fire Department Aid Agreement with the City of Los Angeles**

Recommendation -

1. Approve and authorize mayor, city manager, and city attorney to sign the agreement.

17. **Resolution Allowing Continued Teleconferenced Public Meetings.**

Recommendation -

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

C. PUBLIC HEARINGS

D. STAFF PRESENTATIONS

18. **Conversion of the Finance Manager Classification from Civil Service to At-Will Status, Adoption of Revised Classification Specification and Examination Plan, and Modification of Salary Range**

Recommendation -

1. Approve the conversion of the Finance Manager classification from Civil Service to at-will status.

2. Adopt the revised classification specification and examination plan for the Finance Manager position.

3. Adopt proposed resolution to establish a modified salary range for the Finance Manager classification.

19. **FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments.**

Recommendation -

1. Receive FY 2021-2022 Citywide Mid-Year Budget Update.

2. Amend FY 2021-2022 General Fund Revenues from $74,802,700 to $75,207,165 and Appropriations from $77,651,553 to $78,689,553 (see exhibit A for details).

3. Amend FY 2021-2022 Golf Fund Appropriations from $10,000 to $32,000 (see exhibit A for details).

4. Amend FY 2021-2022 General Liability Fund Appropriations from $3,094,306 to $3,194,306 (see exhibit A for details).

5. Amend FY 2021-2022 Solid Waste Fund Revenue from $0 to $420,000 (see exhibit A for details).

20. **Agreement with United Pickleball Management, LLC to Conduct a Pickleball Tournament on City Facilities.**

Recommendation -

1. Authorize the City Manager to execute an agreement approved by the City Attorney with the Association of Pickleball Professionals.

21. **Request from El Segundo Kiwanis Club to Host and Operate a "Beer Garden" at a Chili Cookoff at Recreation Park.**

Recommendation -

1. Consider the request from the El Segundo Kiwanis Club to host and operate a "Beer Garden" as part of their Inaugural Chili Cookoff Event in Recreation Park; or

2. Alternatively, discuss and take other action as related to the location of the "Beer Garden" for this event.

22. **Resolution Certifying Sufficiency of Commercial Cannabis Voter Initiative Petition and City Council Direction on Voter Initiative Ordinance, Potential City Cannabis Tax Measure, City Non-Initiative Regulatory Ordinance, and Competing City Regulatory Initiative.**

Recommendation -

1. Adopt a resolution approving the City Clerk's certification of initiative petition.

2. Approve one of the following;

    a. Reading, by title only, waiver of further reading, and introduction of the initiative ordinance, without alteration, and direction to approve a second reading at an adjourned regular meeting within 10 days.

    b. A motion submitting the initiative ordinance, without alteration, to the voters and direction to the City Clerk to present the initiative ordinance as a ballot measure with the calling fo the regular general municipal election to be held on November 8, 2022; or

    c. A motion ordering a report pursuant to Elections Code § 9212 to be presented to Council within 30 days.

3. Provide direction to staff regarding a potential City-initiated commercial cannabis tax initiative.

4. Provide direction to staff to pursue or forego a non-initiative City commercial cannabis regulatory ordinance in exchange for withdrawal of the voter initiative or a City commercial cannabis regulatory initiative to compete with the voter initiative.

E. COMMITTEES, COMMISSIONS AND BOARDS PRESENTATIONS

23. **Arts and Culture Advisory Committee Report**

Recommendation -

1. Receive and file Arts and Culture Advisory Committee Report on the approved art initiatives for Fiscal Year 2021-2022; and provide direction on recommendations for the Cultural Development Fund initiatives for Fiscal Year 2022-2023.

24. **Appointments to the Diversity, Equity, and Inclusion Committee**

Recommendation -

1. Announce the appointments to the Diversity, Equity, and Inclusion Committee

F. REPORTS - CITY CLERK

G. REPORTS - CITY TREASURER

H. REPORTS - COUNCILMEMBERS

COUNCILMEMBER GIROUX

COUNCILMEMBER NICOL

COUNCILMEMBER PIRSZTUK

MAYOR PRO TEM PIMENTEL

MAYOR BOYLES

I. REPORTS - CITY ATTORNEY

J. REPORTS/FOLLOW-UP - CITY MANAGER

CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for the purposes of conferring with the City's Real Property Negotiator; and/or conferring with the City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with the City's Labor Negotiators.

REPORT OF ACTION TAKEN IN CLOSED SESSION (if required)

MEMORIALS

ADJOURNMENT

POSTED:
DATE: April 14, 2022
TIME: 4:00 PM
BY: Tracy Weaver, City Clerk

Proclamation

City of El Segundo, California

WHEREAS, The El Segundo Big 5 PTA Run for Education was established 30 years ago to create a healthy and fun day for the community to come together to support education; and

WHEREAS, The Big 5 PTA Run for Education, is hosted by the El Segundo Council of PTA's, benefitting students attending all schools in the district. The Run for Education has developed into the Council of PTA's largest fundraiser, welcoming over 1,500 participants from the community and surrounding areas to the streets of El Segundo to run, jog or walk the USA Track and Field certified 5k or 10k course, or Kids Fun Runs through our town, supporting our schools; and

WHEREAS, The funds raised from this event are used to support a wide range of students needs including technology requests, physical education equipment, departmental supplies, and college and career preparation programs, providing for unique student experiences, as well as supporting district parent education programs; and

WHEREAS, Community support is of the utmost importance with this event, relying on the El Segundo Police Department, City of El Segundo, parents from all our schools, high school student volunteers, local businesses, and community members; and

WHEREAS, Community partners play a critical role in the success of this event. We are fortunate to have Big 5 Sporting Goods as the Title Sponsor of the Run, along with presenting sponsors, Chevron, Sky One Federal Credit Union and Cedar Sinai Kerlan Jobe Institute as well as the support of many local businesses who participate in the event's Run Expo and "Show your Shirt and Save" promotion; and

WHEREAS, The goal of the El Segundo Council PTA is to positively impact the lives of children and families, serving its members and its community by providing opportunities and experiences to make El Segundo School District the best it can be.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, hereby proclaim April 30, 2022 as "**El Segundo Big 5 PTA Run for Education Day**" in El Segundo and encourage all citizens to take part in the 30th anniversary celebration.

Mayor Drew Boyles

Mayor Pro Tem Chris Pimentel *Council Member Carol Pirsztuk*

Council Member Scot Nicol *Council Member Lance Giroux*

Proclamation

City of El Segundo, California

WHEREAS, organ, eye, tissue, marrow and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need; and

WHEREAS, more than 100,000 individuals nationwide and more than 20,000 in California are currently on the national organ transplant waiting list, and on average, 17 people die each day while waiting; and

WHEREAS, the need for donated organs is especially urgent in Hispanic, Latino, and African American communities; and

WHEREAS, a single individual's donation of the heart, lungs, liver, kidneys, pancreas and small intestine can save up to eight lives; and

WHEREAS, donation of tissue can save and heal the lives of mor than to 75 others; and

WHEREAS, organ donors saved more than 40,000 lives last year, the most ever; and

WHEREAS, any person can register to be an organ, eye and tissue donor regardless of age or medical condition; and

WHEREAS, being a registered donor does not impact quality of life-saving medical care a person receives in an emergency; and

WHEREAS, California residents can sign up with the Donate Life California Donor Registry online at any time by visiting www.donateLIFEcalifornia.org or, for Spanish-speakers, www.doneVIDAcalifornia.org; and

WHEREAS, California residents can sign up to be an organ, eye and tissue donor when applying for or renewing their driver's license or ID cards at the California Department of Motor Vehicles;

WHEREAS, California residents interested in saving a life through living kidney donation may visit www.LivingDonationCalifornia.org.

NOW, THEREFORE, the Mayor and Members of the City Council of the City of El Segundo, California, in recognition of **National Donate Life Month**, hereby proclaim the month of April 2022 as "**DMV/Donate Life Month"** in El Segundo and in doing so we encourage all Californians to check "YES!" online, or when applying for or renewing their driver's license or I.D. card at the DMV

Mayor Drew Boyles

Mayor Pro Tem Carol Pirsztuk *Council Member Chris Pimentel*

Council Member Scot Nicol *Council Member Lance Giroux*

Proclamation

City of El Segundo, California

WHEREAS, the global community now faces extraordinary challenges, such as global health issues, food and water shortages, and economic struggles; and

WHEREAS, all people, regardless of race, gender, income, or geography, have a moral right to a healthy, sustainable environment with economic growth; and

WHEREAS, we are all caretakers of our planet and have an obligation to combat climate change and environmental degradation to preserve the earth's beauty and resources; and

WHEREAS, a green economy can be achieved on the individual level through educational efforts, public policy, and consumer activism campaigns; and

WHEREAS, it is necessary to broaden and diversify this global movement to achieve maximum success.

NOW, THEREFORE, the Mayor and members of the City Council of the City of El Segundo, California, hereby proclaim April 22, 2022 as "Earth Day" in El Segundo and encourage all citizens to support environmental initiatives and promote others to undertake similar actions.

Mayor Drew Boyles

Mayor Pro Tem Chris Pimentel *Council Member Carol Pirsztuk*

Council Member Scot Nicol *Council Member Lance Giroux*

SPECIAL CLOSED SESSION
THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 15, 2022
3:00 PM

CALL TO ORDER – Mayor Boyles at 3:05 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

PUBLIC COMMUNICATION – (Related to City Business Only) – None

SPECIAL ORDER OF BUSINESS:

Mayor Boyles announced that Council would be meeting in closed session pursuant to the items listed on the Agenda.

CLOSED SESSION:

City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City's Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City's Labor Negotiators. §

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code §54956.9 (d)(4): -1- matters.

Adjourned at 3:50 PM

_____
Tracy Weaver, City Clerk

MEETING MINUTES OF THE EL SEGUNDO CITY COUNCIL
TUESDAY, MARCH 1, 2022

CLOSED SESSION – Mayor Boyles called to order at 4:06 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)

SPECIAL ORDER OF BUSINESS: (Open to the Public)

1. Conduct Diversity, Equity, and Inclusion (DEI) Committee Interviews

Council selected Michael Lipsey, Rebecca Yussman and Genesis Jackson to the DEI Committee.

Recessed at 5:50 PM

Adjourned at 11:55 PM

OPEN SESSION – Mayor Boyles called to order at 6:04 PM

ROLL CALL

Mayor Boyles	-	Present
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

INVOCATION – Father Alexi Smith, St. Andrew's Russian Greek Catholic Church

PLEDGE OF ALLEGIANCE – Council Member Nicol

SPECIAL PRESENTATIONS:

2. Council recognized the ESHS Girl's Water Polo CIF Division 4 Champions.

3. Council recognized Sgt. Eric Atkinson for Graduation from the Sherman Block Supervisory Leadership Institute.

4. Proclamation read by Council Member Giroux proclaiming March as National Women's History Month. Christibelle Villena and Cristina Vazquez-Fajardo with the DEI Committee accepted the Proclamation.

PUBLIC COMMUNICATIONS – (Related to City Business Only – 5-minute limit per person, 30-minute limit total)

In Chamber –

Barbara Briney, resident, commented on the El Segundo Aquatic Centers heater.
Randall Duncan, resident, commented on Downtown Beautification Fund he introduced a few meetings previously.
Eric Peterson, Owner of Tapizon, introduced himself and commented on downtown dining.
Jay Fox, resident, in favor of outdoor dining.
Ryan Baldino, resident, commented on item #14 and the Cannabis initiative.
Michelle Keldorf, resident, commented on the Cannabis initiative and LADSAN.

Via Zoom –

David Moo, Brightview Landscape, commented on item #B11 and would like his company to be reconsidered for the City's landscape contract.

CITY MANAGER FOLLOW-UP COMMENTS:
Mr. George commented the Cannabis item will be brought to Council at the April 19th meeting and the Downtown item will be on the May 3rd agenda. Item #D17 will be pulled from tonight's agenda.

A. Read all Ordinances and Resolutions on the Agenda by Title Only.

MOTION by Council Member Pimentel, SECONDED by Council Member Giroux to read all ordinances and resolutions on the agenda by title only. MOTION PASSED BY UNANIMOUS VOTE. 5/0

B. CONSENT:

5. Approve Regular City Council Meeting minutes of March 1, 2022.
(Fiscal Impact: None)

6. Approve warrants demand register for February 21, 2022 through February 27, 2022, numbers 17A, warrant numbers 3039612 through 3039690 and, 9002404 through 9002406. Ratify Payroll and employee benefit Checks; Checks released early due to contracts or agreement; Emergency disbursements and/or adjustments; and, Wire transfers.
(Fiscal Impact: $276,926.62 ($200,297.00 in check warrants and $76,629.62 in wire warrants))

7. Reject Ravand Construction and SBS Corporation bids as non-responsive and authorize the City Manager to execute Standard Public Works Construction Contract No. 6311 with Union Construction Company for $478,386 for the Checkout Building Restroom Facilities Improvement Project and authorize an

additional $47,800 as contingency funds for potential unforeseen conditions. Project No. PW 21-09,
(Fiscal Impact: $ $526,186)

8. Waive minor irregularities in the bid from Floor Covering Unlimited, Inc. and authorize the City Manager to execute Standard Public Works Contract No. 6312 with Floor Covering Unlimited, Inc. in the amount of $78,679.00 for the Fire Stations 1 & 2 Floor Replacement Project and authorize an additional $6,321.00 as contingency funds for potential unforeseen conditions.
Project No. PW 22-03
(Fiscal Impact: ($85,000)

9. PULLED BY MAYOR BOYLES

10. Approve Resolution No. 5318 to allow continued teleconferenced public meetings.
(Fiscal Impact: None)

11. PULLED BY MAYOR PRO TEM PIMENTEL

12. Authorize the acceptance of $430,280 in grant funds from the 2020 State Homeland Security Grant Program and allow for amendments as outlined in Section V, Subsection 503 – Amendments and authorize the City Manager or designee to sign an Agreement No. 6310 with the County of Los Angeles who will serve as the grant administrator for the grant.
(Fiscal Impact: The City of El Segundo has been allocated $430,280 in the 2020 State Homeland Security Grant Program (SHSGP) funding, which is passed to the local area through Los Angeles County via a subrecipient agreement. While the grant does not provide up-front funding, municipalities submit reimbursement requests to the grant administrator (e.g., Los Angeles County) after expenditures are made and processed for payment. Approved requests are then reimbursed by the County of Los Angeles. If funds are not used from 2020, they will not be reallocated for use. Thus, it's important to expend our full allocation and approve an additional appropriation to expense account 124-400-3202-3770 in support of these projects, accept grant allocation in the amount of $430,280 and appropriate $430,280 to the HSGP Grant Expense Account (124-400-3202- 3770) and allocate $430,280 to revenue account 124-300-3202-3770 (2020 HSGP Grant)

13. Authorize the Interim City Manager to amend Agreement No. 5847A with Robert Half International Inc., adding an additional $118,000 and extending the term to June 30, 2022 to provide technical consulting, business analysis, project management and administrative services.
(Fiscal Impact: $118,000)

MOTION by Council Member Nicol, SECONDED by Council Member Giroux approving Consent Agenda items 5, 6, 7, 8, 10, 12, and 13. MOTION PASSED BY UNANIMOUS VOTE. 5/0

PULLED ITEMS:

9. Purchase of 10 Police Patrol Vehicles and Associated Outfitting Expenses
(Fiscal Impact: The cost of the two (2) patrol vehicles will be approximately $82,000 and the outfitting of the vehicles will be approximately $36,000. Due to supply chain issues and inflation concerns, a twenty percent surcharge for the outfitting totaling $7,200 has been added, bringing the total cost to $125,200. Funds to purchase the additional eight (8) patrol vehicles ($480,000) in September 2022 will come from the FY23 Equipment Replacement and Asset Forfeiture accounts.)

Chief Bermudez answered Council's questions.

Council Discussion

MOTION by Mayor Boyles, SECONDED by Council Member Giroux approving the purchase of 10 Ford Explorer Police Interceptor vehicles using funds from the Equipment Replacement and Asset Forfeiture accounts via a cooperative purchasing contract, purchase emergency lighting and in-service equipment from the South Bay Regional Public Communications Authority under the City's existing contract for the proposed 10 police vehicles, which may require modification and authorize the Police Department to amend an existing contract with Ken Porter Auctions, an auction company under contract, to auction the 10 replaced 2017 Ford Explorer Police Interceptor police vehicles. MOTION PASSED BY UNANIMOUS VOTE. 5/0

11. Service Agreement for Citywide Landscape Maintenance Services
(Fiscal Impact: $500,000)

Elias Sassoon, Public Works Director answered Council's questions.

Council Discussion

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Nicol to reject Brightview's bid as non-responsive, appropriate additional funding of $67,155, and authorize the City Manager to execute a three-year Contract with Landscape Maintenance Services Agreement No. 6313 with a onetime three-year option extension with Parkwood Landscape Maintenance for $436,295 per year. MOTION PASSED BY UNANIMOUS VOTE. 5/0

D. STAFF PRESENTATIONS: *(Item D18 moved forward on the Agenda)*

18. Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2021.
(Fiscal Impact: None)

Joe Lillio, Chief Financial Officer introduced the item.

Nitin Patel, consultant, gave a presentation and reported on the item.

Council Discussion
Council Consensus to receive and file the report.

E. COMMITTEES, COMISSIONS AND BOARDS PRESENTATIONS: *(Item #E20 moved forward on the Agenda)*

20. Library Board of Trustees Presentation for Consideration of Eliminating Adult Overdue Fines
(Fiscal Impact: Elimination of adult overdue fines would reduce the Library's General Fund revenue by approximately $3,000 per fiscal year)

Mark Hebert, Library Manager and Sara Whelan, Library Board of Trustees Chairperson gave a presentation.

Council Discussion

MOTION by Council Member Pirsztuk, SECONDED by Council Member Giroux approving the elimination of adult overdue fines. MOTION PASSED BY UNANIMOUS VOTE. 5/0

C. PUBLIC HEARING:

14. Pacific Coast Commons Specific Plan and Mixed-Use Commercial/Residential Development Project at 475-629 North Pacific Coast Highway.
(Fiscal Impact: A Fiscal Impact Analysis was conducted to determine the impact of the proposed project on the City budget through a comparison of anticipated annual City revenues (taxes, service charges, etc.) against the anticipated annual City costs for services (police, fire, recreation, etc.). The Fiscal Impact Analysis estimated that the proposed development would have a net negative impact on the City's budget of $127,631 annually. For contextual purposes, residential developments generally have a negative direct fiscal impact on cities compared to commercial developments. However, mixed use multi-family residential uses result in an overall positive economic impact by creating complimentary, revenue-generating uses along commercial corridors, a stronger local customer base, and expanded overall service demands for local businesses)

Mayor Boyles stated this was the time and place for a Public Hearing regarding Pacific Coast Commons Specific Plan and Mixed-Use Commercial/Residential Development Project at 475-629 North Pacific Coast Highway.

Clerk Weaver stated that proper notice had been given in a timely manner and that written communication had been received in the City Clerk’s office.

Michael Allen, Development Services Director, Paul Samaras, Planning Manager reported on the item and answered Council’s questions.

Public Input:

In Chamber:

Lionel Uhry, CDC Mar, applicant gave a presentation.
Sandy Vanden Berge, resident, in favor of Pacific Coast Commons project.
Marsha Hansen, Chamber of Commerce CEO, in favor of Pacific Coast Commons project.
Eric Chan, resident and ESEDC President, in favor of Pacific Coast Commons project.
Dr. Melissa Moore, ESUSD Superintendent, in favor of Pacific Coast Commons project.
Claudia Wiedeman, in favor of Pacific Coast Commons project.
Mike Rotolo, resident, in favor of Pacific Coast Commons project.
Emmanuel Torres, Local 562, Southwest Regional Council of Carpenters, not in favor of the Pacific Coast Commons project.
Roberto Ruiz, Local 562, Southwest Regional Council of Carpenters, not in favor of the Pacific Coast Commons project.
Rafael Pimentel, Local 562, Southwest Regional Council of Carpenters, not in favor of the Pacific Coast Commons project.
Ray Lawson, Local 562, Southwest Regional Council of Carpenters, not in favor of the Pacific Coast Commons project.

Via Zoom:

Byron Washom, resident, commented on the item and would like a special parking district in the area to be considered.
Paul Morrison, resident, commented on the item regarding safety and noise levels.
Matthew Klemp, resident, commented on the item regarding safety and traffic.
Chris Wilson, Los Angeles County Business Federation, in favor of the Pacific Coast Commons project.
Maria Barden, resident, not in favor of the project.
Victoria Yundt, Attorney with Lozeau Drury representing Supporters Alliance for Environmental Responsibility, not in favor of the project.

MOTION by Council Member Giroux, SECONDED by Pirsztuk to close the hearing. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Recessed at 8:28 PM

Reconvened at 8:42 PM

Paul Samaras, Planning Manager answered commenters questions.

Council discussion

- Ordinance No. 1635 – Development Agreement; Council consensus to increase the preferential parking zone developer contribution from $25,000 to $50,000 and to increase the developer contribution for the Additional Community Circulation Benefit from $75,000 to $100,000.

- Resolution No. 5319 – Conditions of Approval – Exhibit A

Rejection of one Planning Commission recommendation (Condition No. 102) to restrict the PCC North site exit at Palm Avenue to right turns only, to direct traffic away from the residential neighborhood west of the site; and

Acceptance of three (3) Planning Commission recommendations for conditions in Resolution 5319;

1. Prohibit the use of gates at the PCC North site entrances on Mariposa Avenue and Palm Avenue to prevent vehicles backing up onto the public streets, with modified language to allow gates if sufficiently set back from the public street subject to a queue analysis and Director of Development Services review.
2. Require the owner of the residential component of the PCC North site to be responsible for cleaning and maintaining the community room at the Fairfield Parking Site.
3. Require the Master Site Program for each development site to include adequate wayfinding signs to the parking structures throughout the Specific Plan area.

Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5319

A RESOLUTION (1) CERTIFYING THE ENVIRONMENTAL IMPACT REPORT (ENVIRONMENTAL ASSESSMENT NO. EA-1248), ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, MAKING FINDINGS OF FACT, AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN PROJECT; (2) ADOPTING GENERAL PLAN AMENDMENT NO. GPA 19-01; (3) APPROVING SUBDIVISION NO. SUB 19-03; (4) APPROVING SITE PLAN REVIEW NO. SPR 19-01; (5) APPROVING A PARKING DEMAND STUDY AND SHARED PARKING USE ANALYSIS; AND (6) APPROVING A WAIVER OF PUBLIC RIGHT-OF-WAY DEDICATIONS FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN AND PACIFIC COAST COMMONS MIXED-USE PROJECT

MOTION by Council Member Pirsztuk, SECONDED by Council Member Nicol adopting Resolution No. 5319. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Mark Hensley, City Attorney read the Ordinance by title only;

ORDINANCE NO. 1635

AN ORDINANCE APPROVING ZONE CHANGE AND ZONING MAP AMENDMENT NO. 19-01, SPECIFIC PLAN NO. SP 19-01, ZONE TEXT AMENDMENT NO. ZTA 19-08, AND DEVELOPMENT AGREEMENT NO. DA 19-02 FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN AND PACIFIC COAST COMMONS MIXED-USE PROJECT AT 475-629 PACIFIC COAST HIGHWAY.

Council Member Nicol introduced the Ordinance. Second reading of the Ordinance is scheduled for the regular City Council meeting on April 19, 2022.

Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5321

A RESOLUTION (1) RESCINDING THE APPROVALS OF SUB NO. 14- 05, LOT TIE COVENANT NO. MISC 14-03 AND OFF-SITE PARKING COVENANT NO. MISC 14-06; (2) AMENDING CONDITIONAL USE PERMIT NO. 14-01 TO ALLOW THE CONTINUED OPERATION OF AN EXISTING 350-ROOM HOTEL (NORTH HOTEL SITE OF THE FORMER HACIENDA HOTEL PROPERTY) IN ADDITION TO THE PREVIOUSLY APPROVED ALCOHOL SERVICE AT 525 NORTH PACIFIC COAST HIGHWAY; AND (3) APPROVING OFF-SITE PARKING FOR THE NORTH HOTEL SITE (PROJECT NO. EA-1248; MODIFICATION OF CONDITIONAL USE PERMIT NO. CUP 14-01; AND OFF-SITE PARKING). (NORTH HOTEL)

MOTION by Council Member Nicol, SECONDED by Council Member Pirsztuk adopting Resolution No. 5321. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5320

A RESOLUTION AMENDING CONDITIONAL USE PERMIT NO. 14-02 TO ALLOW THE CONTINUED OPERATION OF AN EXISTING 246- ROOM HOTEL IN ADDITION TO THE PREVIOUSLY APPROVED ALCOHOL SERVICE AT 475 NORTH PACIFIC COAST HIGHWAY AND APPROVING OFF-SITE PARKING FOR THE SOUTH HOTEL SITE (PROJECT NO. EA-1248; AMENDMENT OF CONDITIONAL USE PERMIT CUP NO. 14-02; AND OFF-SITE PARKING). (SOUTH HOTEL)

MOTION by Council Member Giroux SECONDED by Council Member Nicol adopting Resolution No. 5320. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

Recessed at 10:10 PM

Reconvened at 10:16 PM

Mayor Boyles left the dais due to a Common Law conflict based on a relationship with the applicant.

Mayor Pro Tem Pimentel left the dais due to an employer conflict.

Mayor Boyles and Mayor Pro Tem Pimentel returned to the dais.

15. Smoky Hollow Specific Plan Amendment and Standard Works Creative Office Project at 1475 East El Segundo Boulevard and 1320 East Franklin Street

(Fiscal Impact: There are no fiscal impacts associated with approval of the proposed specific plan amendment or the proposed Standard Works Development project. Community Benefits Analysis Reports (prepared by Kosmont Companies, a financial consultant) for both sites show that the Project is expected to generate economic and community benefits in excess of the Project's value. Further, the reports indicate that the Project will provide certain fiscal and economic benefits such as: contributions to the General Fund including an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license fees further described below.

Council Member Pirsztuk stated this was the time and place for a public hearing regarding Smoky Hollow Specific Plan Amendment and Standard Works Creative Office Project at 1475 East El Segundo Boulevard and 1320 East Franklin Street.

Clerk Weaver stated that proper notice had been given in a timely manner and that no written communication had been received in the City Clerk's office.

Michael Allen, Development Services Director, introduced the item and Brad Misner, CSG Consultants, Inc. gave a presentation

Public Input:
Mark Telesz, applicant
David Balian, architect

MOTION by Council Member Giroux, SECONDED by Nicol to close the hearing.
MOTION PASSED BY UNANIMOUS VOICE VOTE. 3/0
Council discussion

Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5322

A RESOLUTION APPROVING AN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (EA-1281/EA-1282) AND MITIGATION MONITORING AND REPORTING PROGRAM FOR ENVIRONMENTAL ASSESSMENT NOS. EA-1281 AND EA-1282 REGARDING AN AMENDMENT TO THE SMOKY HOLLOW SPECIFIC PLAN AND THE DEVELOPMENT OF A MULTI-PARCEL OFFICE CAMPUS ON PROPERTY LOCATED AT 1320-1330 E. FRANKLIN AVENUE AND 1475 E. EL SEGUNDO BOULEVARD

MOTION by Council Member Giroux, SECONDED by Council Member Nicol adopting Resolution No. 5322. MOTION PASSED BY UNANIMOUS VOICE VOTE. 3/0

Mark Hensley, City Attorney read the Ordinance by title only;

ORDINANCE NO 1636

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING SPECIFIC PLAN AMENDMENT NO. 21-02 TO MODIFY PORTIONS OF THE SMOKY HOLLOW SPECIFIC PLAN TO ALLOW FOR INCREASED BUILDING HEIGHTS WITHIN A DESIGNATED SUBAREA OF THE SMOKY HOLLOW SPECIFIC PLAN AREA SUBJECT TO THE APPROVAL OF A TIER II COMMUNITY BENEFITS PLAN

Council Member Giroux introduced the Ordinance. Second reading of the Ordinance is scheduled for the regular City Council meeting on April 19, 2022.

Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5323

A RESOLUTION APPROVING COMMUNITY BENEFIT PLAN (CBP) NO. 19-03, SITE PLAN REVIEW (SPR) NO. 21-04, MASTER SIGN PROGRAM (MSP) 21-01, ENVIRONMENTAL ASSESSMENT EA-1282, AND OFF-SITE PARKING COVENANT FOR THE NORTH SITE OF THE STANDARD WORKS PROJECT AT 1320-1330 E. FRANKLIN AVENUE.

MOTION by Council Member Giroux, SECONDED by Council Member Nicol adopting Resolution No. 5323. MOTION PASSED BY UNANIMOUS VOICE VOTE. 3/0
Mark Hensley, City Attorney read the Resolution by title only;

RESOLUTION NO. 5324

A RESOLUTION APPROVING COMMUNITY BENEFIT PLAN (CBP) NO. 19-02, SITE PLAN REVIEW (SPR) NO. 21-03, MASTER SIGN PROGRAM (MSP) 21-01, ENVIRONMENTAL ASSESSMENT EA-1281, AND OFF-SITE PARKING COVENANT FOR THE SOUTH SITE OF THE STANDARD WORKS PROJECT AT 1475 E. EL SEGUNDO BLVD.

MOTION by Council Member Giroux, SECONDED by Council Member Nicol adopting Resolution No. 5324. MOTION PASSED BY UNANIMOUS VOICE VOTE. 3/0

D. STAFF PRESENTATIONS: *(Item #19 Move forward on the agenda)*

19. Discussion and Direction for Association of Pickleball Professionals Proposal for Pickleball Tournament June 23–26, 2022 at Recreation Park
(Fiscal Impact: The tournament would generate revenue from rental fees. There may also be revenue loss due to area closures in Recreation Park associated with the tournament. Those areas would not be available for regular daily or drop-in use. The potential cost to the City for waiving partial to full fees would be up to $38,173)

Arecia Hester, Park Superintendent, Ken Hermann, APP and Shawn Green reported on the item and answered Council's questions.

Council Discussion

MOTION by Mayor Boyles, SECONDED by Council Member Pirsztuk to waive all fees involved in the tournament. MOTION PASSED BY UNANIMOUS VOICE VOTE. 5/0

16. Urho Saari Swim Stadium ("The Plunge") Project Engineering and Design Agreement (Fiscal Impact: $1,000,000,000)

Elias Sassoon, Public Works Director and xxx gave a presentation and answered questions.

Council Discussion

MOTION by Mayor Pro Tem Pimentel, SECONDED by Council Member Pirsztuk authorizing the City Manager to execute a Professional Services Agreement No. 6314 with IBI Group for $765,000 for the architectural and engineering design and authorizing the City Manager to execute a Professional Services Agreement No. 6315 with Westberg White for $75,000 to provide advising services as needed for preparation of the architectural and engineering plans for the design of the Urho Saari Swim Stadium project and authorize an additional $75,000 for design related contingencies. MOTION PASSED BY UNANIMOUS VOICE VOTE. 4/1 Yes: Boyles Pirsztuk Pimentel Nicol
No: Giroux

17. *ITEM PULLED TO A FUTURE MEETING*
FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments
(Fiscal Impact: Staff is requesting an additional appropriation of $1,150,000 for the General Fund (line item details are attached in Exhibit A), as well as increasing the General Fund Revenues by $330,000. Solid Waste revenues are increasing by $500,000 (via a transfer-in from the General Fund - the 25% City subsidy for FY 2020-21 and FY 2021- 22).

18. *MOVED FORWARD ON THE AGENDA*

19. MOVED FORWARD ON THE AGENDA

E. COMMITTEES, COMMISSIONS AND BOARDS:

20. *MOVED FORWARD ON THE AGENDA*

F. REPORTS – CITY CLERK – Mentioned FPPC filings were up with the implementation of NetFile.

G. REPORTS – CITY TREASURER – Not present

H. REPORTS – COUNCIL MEMBERS

Council Member Giroux – Thanked ESMoA and the El Segundo Library for presenting the living library at City Hall's Plaza this past weekend, featuring Dr. Valerie Lanyi, Holocaust Survivor.

Council Member Nicol – Mentioned AYSO U12 Boys won the Western State Regional Tournament and recognized Council Member Pirsztuk and City Clerk Weaver for National Women's Month.

Council Member Pirsztuk – Wished everyone a Happy St. Patrick's Day.

Mayor Pro Tem Pimentel – Mentioned this is the second year of Federal ear marked monies and would like staff to look into this as a possible source to finish projects, attended several South Bay COG Transportation meetings, and mentioned he has received a couple favorable comments regarding the Development Services Department.

Mayor Boyles – Mentioned Randy Collins, Emergency Services Manager has left the City, Mayor would like to see his position filled quickly.

I. REPORTS – CITY ATTORNEY – No report

J. REPORTS/FOLLOW-UP – CITY MANAGER – Thanked all who helped acclimate him to the team in the last two weeks. Mentioned the next meeting will be April 12th, Strategic Planning Session.

MEMORIALS – None

Adjourned at 11:38 PM

_____

Tracy Weaver, City Clerk

SPECIAL SESSION
THE EL SEGUNDO CITY COUNCIL
THURSDAY, APRIL 7, 2022
4:30 PM

CALL TO ORDER – Mayor Pro Tem Pimentel at 4:36 PM

Mayor Boyles	-	Absent
Mayor Pro Tem Pimentel	-	Present
Council Member Pirsztuk	-	Present
Council Member Nicol	-	Present
Council Member Giroux	-	Present

PUBLIC COMMUNICATION – (Related to City Business Only – 5-minute limit per person), None

SPECIAL ORDER OF BUSINESS:

1. CenterCal's and Topgolf's request to lower the adjustment percentage on the Community Benefit payment from 10% to 7.5% every five (5) years regarding the Topgolf driving lease payments. The City had previously granted Topgolf the right to change the par four (4) hole to two (2) par three (3) holes on the Lakes golf course in exchange for the 10% adjustment every five (5) years.
   (Fiscal Impact: Loss of General Fund Revenue of $5,000 over a five (5) year period; approximately $71,613 over the 50-year life of the lease for an average of $1,430 per year)

Joe Lillio, Chief Financial Officer reported on the item.

Mark Hensley, City Attorney and Joe Lillio, Chief Financial Officer answered Council questions.

Council Discussion

Council consensus to not move forward with CenterCal and Topgolf's request to lower the adjustment percentage regarding the Community Benefit payment from 10% to 7.5% every five (5) years.

CLOSED SESSION:

City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code Section §54960, et seq.) for purposes of conferring with City's Real Property Negotiator; and/or conferring with City Attorney on potential and/or existing litigation; and/or discussing matters covered under Government Code Section §54957 (Personnel); and/or conferring with City's Labor Negotiators. §

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code §54956.9 (d)(4): -1- matters.

Adjourned at 5:12 PM

_____
Tracy Weaver, City Clerk

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039691 - 3039797
9002407 - 9002438

DATE OF APPROVAL: **AS OF 03/15/22**

REGISTER # 17B

001	GENERAL FUND	464,999.95
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	385.00
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	-
110	MEAURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	275.00
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	80.00
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	1,590.50
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	15,855.35
502	WASTEWATER FUND	414.22
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	-
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	(123.81)
703	EXPENDABLE TRUST FUND - OTHER	1,521.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	33,009.38
	TOTAL WARRANTS	$ 518,006.59

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER Joseph Bobb

DATE: 3-14-2022

CITY MANAGER Barbara Voss

DATE: 3-17-22

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
02/28/22 THROUGH 03/06/22

Date	Payee		Description
3/1/2022	Cal Pers	13,501.26	EFT Retirement Safety-Fire-PEPRA New 25020
3/1/2022	Cal Pers	26,741.20	EFT Retirement Safety-Police-PEPRA New 25021
3/1/2022	Cal Pers	46,054.55	EFT Retirement Misc - PEPRA New 26013
3/1/2022	Cal Pers	42,015.71	EFT Retirement Misc - Classic 27
3/1/2022	Cal Pers	61,928.76	EFT Retirement Safety Police Classic - 1st Tier 28
3/1/2022	Cal Pers	51,078.16	EFT Retirement Safety Fire- Classic 30168
3/1/2022	Cal Pers	3,296.92	EFT Retirement Sfty Police Classic-2nd Tier 30169
3/3/2022	Mission Square	94,114.46	457 payment Vantagepoint
3/3/2022	Mission Square	56,999.61	401(a) payment Vantagepoint
3/3/2022	Mission Square	550.00	IRA payment Vantagepoint
4/4/2022	ExpertPay	1,763.42	EFT Child support payment
02/21/22-02/27/22	Workers Comp Activity	30,209.09	SCRMA checks issued, less Swiss Re check reimbursement
02/21/22-02/27/22	Liability Trust - Claims	-	Claim checks issued/(voided)
02/07/22-02/13/22	Liability Trust - Claims	5,461.60	Claim checks issued
02/21/22-02/27/22	Retiree Health Insurance	-	Health Reimbursment checks issued
		433,714.74	

DATE OF RATIFICATION: 03/7/22
TOTAL PAYMENTS BY WIRE: **433,714.74**

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II — Date: 03/07/22

Chief Financial Officer — Date: 3-14-2022

City Manager — Date: 3-17-22

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 03/15/22
REGISTER # 17B

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	143.64
1201	City Treasurer	280.00
1300	City Clerk	647.65
2101	City Manager	2,571.24
2102	Communications	6,413.00
2201	City Attorney	17,980.00
2401	Economic Development	29,252.38
2402	Planning	35,270.77
2500	Administrative Services	264,061.22
2601	Government Buildings	23,970.11
2700	Community Outreach/Planning	2,251.20
2900	Nondepartmental	10,512.94
6100	Library	7,839.17
		401,193.32
	PUBLIC SAFETY	
3100	Police	10,470.23
3200	Fire	4,783.58
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	5,912.00
		21,165.81
	PUBLIC WORKS	
4101	Engineering	10,349.01
4200	Streets/Park Maintenance	40,297.33
4300	Wastewater	934.24
4601	Equipment Maintenance	1,139.22
4801	Administration	200.00
		52,919.80
	COMMUNITY DEVELOPMENT	
5100,5200	Recreation & Parks	7,723.64
5400	Centennial	
		7,723.64
	EXPENDITURES	
	CAPITAL IMPROVEMENT	1,590.50
	ALL OTHER ACCOUNTS	33,413.52
	TOTAL WARRANTS	518,006.59

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039798 - 3039882

DATE OF APPROVAL: **AS OF 04/05/22**

REGISTER # 18A

001	GENERAL FUND	345,098.69
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	6,417.87
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	8,643.41
110	MEAURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	67.56
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	4,910.87
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	173.97
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	55,722.46
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	9,607.28
502	WASTEWATER FUND	406,864.17
503	GOLF COURSE FUND	2,350.00
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	1,282.62
603	WORKERS COMP. RESERVE/INSURANCE	17.87
701	RETIRED EMP. INSURANCE	57.02
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	3,876.26
703	EXPENDABLE TRUST FUND - OTHER	3,000.00
704	CULTURAL DEVELOPMENT	12.19
708	OUTSIDE SERVICES TRUST	20,186.00
	TOTAL WARRANTS	$ 868,288.24

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER Joseph Hoo

DATE: 3-22-2022

CITY MANAGER Barbara Voss

DATE: 3-22-22

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
03/07/22 THROUGH 03/13/22

Date	Payee		Description
3/7/2022	IRS	299,851.34	Federal 941 Deposit
3/7/2022	Employment Development	5,363.25	State SDI payment
3/7/2022	Employment Development	65,360.74	State PIT Withholding
3/10/2022	Cal Pers	13,501.26	EFT Retirement Safety-Fire-PEPRA New 25020
3/10/2022	Cal Pers	26,442.13	EFT Retirement Safety-Police-PEPRA New 25021
3/10/2022	Cal Pers	45,872.87	EFT Retirement Misc - PEPRA New 26013
3/10/2022	Cal Pers	41,758.91	EFT Retirement Misc - Classic 27
3/10/2022	Cal Pers	61,942.68	EFT Retirement Safety Police Classic - 1st Tier 28
3/10/2022	Cal Pers	52,500.31	EFT Retirement Safety Fire- Classic 30168
3/10/2022	Cal Pers	3,296.92	EFT Retirement Sfty Police Classic-2nd Tier 30169
3/10/2022	Cal Pers	576,512.02	EFT Health Insurance Payment
3/10/2022	West Basin	1,960,992.89	H2O payment
02/28/22-03/06/22	Workers Comp Activity	46,282.26	SCRMA checks issued, less Swiss Re check reimbursement
02/28/22-03/06/22	Liability Trust - Claims	-	Claim checks issued/(voided)
02/28/22-03/06/22	Retiree Health Insurance	-	Health Reimbursment checks issued
		3,199,677.58	

DATE OF RATIFICATION: 03/14/22
TOTAL PAYMENTS BY WIRE: **3,199,677.58**

Certified as to the accuracy of the wire transfers by:

Jasmine Allen — 03/14/22
Deputy City Treasurer II — Date

Joseph Lobo — 3-22-2022
Chief Financial Officer — Date

Barbara Voss — 3-22-22
City Manager — Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 04/05/22
REGISTER # 18A

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	1,464.47
1201	City Treasurer	237.70
1300	City Clerk	635.57
2101	City Manager	1,722.24
2102	Communications	17,581.97
2201	City Attorney	
2401	Economic Development	1,324.16
2402	Planning	20,186.00
2500	Administrative Services	67,351.00
2601	Government Buildings	18,968.93
2700	Community Outreach/Planning	720.00
2900	Nondepartmental	20,815.28
6100	Library	8,230.20
		159,237.52
	PUBLIC SAFETY	
3100	Police	35,665.95
3200	Fire	33,126.87
2403	Building Safety	2,255.07
2404	Plng/Bldg Sfty Administration	8,279.04
		79,326.93
	PUBLIC WORKS	
4101	Engineering	3,530.64
4200	Streets/Park Maintenance	110,916.92
4300	Wastewater	406,764.23
4601	Equipment Maintenance	3,162.64
4801	Administration	214.50
		524,588.93
	COMMUNITY DEVELOPMENT	
5100,5200	Recreation & Parks	25,256.08
5400	Centennial	
		25,256.08
	EXPENDITURES	
	CAPITAL IMPROVEMENT	55,722.46
	ALL OTHER ACCOUNTS	24,156.32
	TOTAL WARRANTS	868,288.24

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3039883 - 3040021
9002439 - 9002442

DATE OF APPROVAL: AS OF 04/05/22

REGISTER # 18B

001	GENERAL FUND	261,282.50
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	4,555.40
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	1,297.80
110	MEAURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	-
114	PROP "C" TRANSPORTATION	-
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	7,644.19
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	60.04
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	9,337.00
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	10,092.00
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	9,177.66
502	WASTEWATER FUND	35,442.69
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	4,900.00
602	LIABILITY INSURANCE	79.92
603	WORKERS COMP. RESERVE/INSURANCE	177.68
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	247.53
703	EXPENDABLE TRUST FUND - OTHER	3,000.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	16,950.00
	TOTAL WARRANTS	$ 364,244.41

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT: N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER

DATE: 3-28-2022

CITY MANAGER

DATE: 3/31/22

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
03/14/22 THROUGH 03/20/22

Date	Payee		Description
3/17/2022	Mission Square	68,263.62	457 payment Vantagepoint
3/17/2022	Mission Square	550.00	IRA payment Vantagepoint
3/18/2022	ExpertPay	1,763.42	EFT Child support payment
03/07/22-03/13/22	Workers Comp Activity	46,101.77	SCRMA checks issued, less Swiss Re check reimbursement
03/07/22-03/13/22	Liability Trust - Claims	48.53	Claim checks issued/(voided)
03/07/22-03/13/22	Retiree Health Insurance	-	Health Reimbursment checks issued
		116,727.34	

DATE OF RATIFICATION: 03/21/22
TOTAL PAYMENTS BY WIRE: **116,727.34**

Certified as to the accuracy of the wire transfers by:

Jasmine Allen — 03/21/22
Deputy City Treasurer II — Date

[signature] — 3-28-2022
Chief Financial Officer — Date

[signature] — 3-31-22
City Manager — Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 04/05/22
REGISTER # 18B

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	
1201	City Treasurer	
1300	City Clerk	312.89
2101	City Manager	41.06
2102	Communications	5,433.00
2201	City Attorney	
2401	Economic Development	5,818.37
2402	Planning	14,492.85
2500	Administrative Services	123,231.86
2601	Government Buildings	14,379.45
2700	Community Outreach/Planning	3,694.40
2900	Nondepartmental	848.81
6100	Library	8,158.60
		176,411.29
	PUBLIC SAFETY	
3100	Police	28,191.93
3200	Fire	23,024.31
2403	Building Safety	
2404	Plng/Bldg Sfty Administration	1,027.48
		52,243.72
	PUBLIC WORKS	
4101	Engineering	11,854.97
4200	Streets/Park Maintenance	14,597.30
4300	Wastewater	35,458.70
4601	Equipment Maintenance	3,723.25
4801	Administration	
		65,634.22
	COMMUNITY DEVELOPMENT	
5100,5200	Recreation & Parks	1,367.43
5400	Centennial	
		1,367.43
	EXPENDITURES	
	CAPITAL IMPROVEMENT	
	ALL OTHER ACCOUNTS	68,587.75
	TOTAL WARRANTS	364,244.41

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3040022 - 3040124
9002443 - 9002445

DATE OF APPROVAL: **AS OF 04/05/22**

REGISTER # 18C

001	GENERAL FUND	681,897.82
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	32,732.50
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	524.00
110	MEAURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	1,599.02
114	PROP "C" TRANSPORTATION	30,546.50
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	67.94
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	-
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	102.36
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	-
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	4,924.39
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	6,450.28
502	WASTEWATER FUND	6,019.99
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	-
603	WORKERS COMP. RESERVE/INSURANCE	49.10
701	RETIRED EMP. INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	496.04
703	EXPENDABLE TRUST FUND - OTHER	8,500.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	-
	TOTAL WARRANTS	$ 773,909.94

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Information on actual expenditures is available in the Director of Finance's office in the City of El Segundo.

I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

For Approval: Regular checks held for City council authorization to release.

CODES:

R = Computer generated checks for all non-emergency/urgency payments for materials, supplies and services in support of City Operations

For Ratification:

A = Payroll and Employee Benefit checks

AP - U = Computer generated Early Release disbursements and/or adjustments approved by the City Manager. Such as: payments for utility services, petty cash and employee travel expense reimbursements, various refunds, contract employee services consistent with current contractual agreements, instances where prompt payment discounts can be obtained or late payment penalties can be avoided or when a situation arises that the City Manager approves.

H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER Joseph Kato

DATE: 3-29-2022

CITY MANAGER

DATE: 3/31/22

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
03/21/22 THROUGH 03/27/22

Date	Payee		Description
3/21/2022	IRS	252,636.88	Federal 941 Deposit
3/21/2022	Employment Development	5,659.93	State SDI payment
3/21/2022	Employment Development	53,814.47	State PIT Withholding
3/24/2022	Cal Pers	27,116.12	EFT Retirement Safety-Fire-PEPRA New 25020
3/24/2022	Cal Pers	50,175.37	EFT Retirement Safety-Police-PEPRA New 25021
3/24/2022	Cal Pers	91,394.59	EFT Retirement Misc - PEPRA New 26013
3/24/2022	Cal Pers	80,244.15	EFT Retirement Misc - Classic 27
3/24/2022	Cal Pers	124,216.19	EFT Retirement Safety Police Classic - 1st Tier 28
3/24/2022	Cal Pers	105,169.45	EFT Retirement Safety Fire- Classic 30168
3/24/2022	Cal Pers	6,617.82	EFT Retirement Sfty Police Classic-2nd Tier 30169
03/14/22-03/20/22	Workers Comp Activity	31,612.29	SCRMA checks issued, less Swiss Re check reimbursement
03/14/22-03/20/22	Liability Trust - Claims	-	Claim checks issued/(voided)
03/14/22-03/20/22	Retiree Health Insurance	-	Health Reimbursment checks issued
		828,657.26	

DATE OF RATIFICATION: 03/28/22
TOTAL PAYMENTS BY WIRE: **828,657.26**

Certified as to the accuracy of the wire transfers by:

Jasmine Allen — 03/28/22
Deputy City Treasurer II — Date

Joseph Lee — 3-28-2022
Chief Financial Officer — Date

[signature] — 3-31-22
City Manager — Date

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 04/05/22
REGISTER # 18C

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	321.37
1201	City Treasurer	22.56
1300	City Clerk	1,139.38
2101	City Manager	693.55
2102	Communications	80.01
2201	City Attorney	
2401	Economic Development	53.45
2402	Planning	
2500	Administrative Services	44,158.21
2601	Government Buildings	47,723.11
2700	Community Outreach/Planning	
2900	Nondepartmental	10,670.79
6100	Library	5,486.43
		110,348.86
	PUBLIC SAFETY	
3100	Police	511,022.34
3200	Fire	22,276.24
2403	Building Safety	1,636.94
2404	Plng/Bldg Sfty Administration	4,676.18
		539,611.70
	PUBLIC WORKS	
4101	Engineering	8,206.22
4200	Streets/Park Maintenance	58,828.03
4300	Wastewater	6,270.26
4601	Equipment Maintenance	368.92
4801	Administration	112.48
		73,785.91
	COMMUNITY DEVELOPMENT	
5100,5200	Recreation & Parks	4,393.71
5400	Centennial	
		4,393.71
	EXPENDITURES	
	CAPITAL IMPROVEMENT	
	ALL OTHER ACCOUNTS	45,769.76
	TOTAL WARRANTS	773,909.94

CITY OF EL SEGUNDO
WARRANTS TOTALS BY FUND

3040125 - 3040213
9002446 - 9002478

DATE OF APPROVAL: AS OF 04/19/22

REGISTER # 19A

001	GENERAL FUND	266,425.37
104	TRAFFIC SAFETY FUND	-
106	STATE GAS TAX FUND	5,913.40
108	ASSOCIATED RECREATION ACTIVITIES FUND	-
109	ASSET FORFEITURE FUND	42,512.50
110	MEAURE "R"	-
111	COMM. DEVEL. BLOCK GRANT	-
112	PROP "A" TRANSPORTATION	2,676.48
114	PROP "C" TRANSPORTATION	200.00
115	AIR QUALITY INVESTMENT PROGRAM	-
116	HOME SOUND INSTALLATION FUND	-
117	HYPERION MITIGATION FUND	-
118	TDA ARTICLE 3 - SB 821 BIKEWAY FUND	-
119	MTA GRANT	-
120	C.O.P.S. FUND	-
121	FEMA	-
122	L.A.W.A. FUND	-
123	PSAF PROPERTY TAX PUBLIC SAFETY	-
124	FEDERAL GRANTS	18,320.00
125	STATE GRANT	-
126	A/P CUPA PROGRAM OVERSIGHT SURCHARGE	80.00
128	SB-1	-
129	CERTIFIED ACCESS SPECIALIST PROGRAM	-
130	AFFORDABLE HOUSING	-
131	COUNTY STORM WATER PROGRAM	1,170.00
202	ASSESSMENT DISTRICT #73	-
301	CAPITAL IMPROVEMENT FUND	1,302.75
302	INFRASTRUCTURE REPLACEMENT FUND	-
405	FACILITIES MAINTENANCE	-
501	WATER UTILITY FUND	334.08
502	WASTEWATER FUND	3,676.61
503	GOLF COURSE FUND	-
505	SOLID WASTE FUND	-
601	EQUIPMENT REPLACEMENT	-
602	LIABILITY INSURANCE	74,147.54
603	WORKERS COMP. RESERVE/INSURANCE	-
701	RETIRED EMP INSURANCE	-
702	EXPENDABLE TRUST FUND - DEVELOPER FEES	-
703	EXPENDABLE TRUST FUND - OTHER	5,000.00
704	CULTURAL DEVELOPMENT	-
708	OUTSIDE SERVICES TRUST	129,743.28
	TOTAL WARRANTS	$ 551,502.01

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

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I certify as to the accuracy of the Demands and the availability of fund for payment thereof.

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H = Handwritten Early Release disbursements and/or adjustments approved by the City Manager.

VOID CHECKS DUE TO ALIGNMENT:
N/A

VOID CHECKS DUE TO INCORRECT CHECK DATE:

VOID CHECKS DUE TO COMPUTER SOFTWARE ERROR:

NOTES

CHIEF FINANCIAL OFFICER Joseph Kotto

DATE: 4-7-2022

CITY MANAGER Barbara Voss

DATE: 4-11-22

CITY OF EL SEGUNDO
PAYMENTS BY WIRE TRANSFER
03/28/22 THROUGH 04/03/22

Date	Payee		Description
3/28/2022	Dept. of Health Care Svcs	7,653.18	Ground EMT Transport Q1-22
3/31/2022	Mission Square	68,578.47	457 payment Vantagepoint
3/31/2022	Mission Square	550.00	IRA payment Vantagepoint
4/1/2022	ExpertPay	1,763.42	EFT Child support payment
03/21/22-03/27/22	Workers Comp Activity	47,885.71	SCRMA checks issued, less Swiss Re check reimbursement
03/21/22-03/27/22	Liability Trust - Claims	2,446.74	Claim checks issued/(voided)
03/21/22-03/27/22	Retiree Health Insurance	33,884.92	Health Reimbursment checks issued
		162,762.44	

DATE OF RATIFICATION: 04/04/22
TOTAL PAYMENTS BY WIRE: **162,762.44**

Certified as to the accuracy of the wire transfers by:

Deputy City Treasurer II — Date 04/04/22

Chief Financial Officer — Date 4-7-2022

City Manager — Date 4-11-22

Information on actual expenditures is available in the City Treasurer's Office of the City of El Segundo.

CITY OF EL SEGUNDO
WARRANTS TOTALS BY DEPARTMENT
AS OF 04/19/22
REGISTER # 19A

DEPT#	NAME	TOTAL
	GENERAL FUND DEPARTMENTAL EXPENDITURES	
	GENERAL GOVERNMENT	
1101	City Council	150.14
1201	City Treasurer	280.00
1300	City Clerk	
2101	City Manager	233.99
2102	Communications	
2201	City Attorney	6,375.00
2401	Economic Development	21,135.40
2402	Planning	1,785.00
2500	Administrative Services	71,594.11
2601	Government Buildings	26,480.98
2700	Community Outreach/Planning	
2900	Nondepartmental	25,099.06
6100	Library	6,330.33
		159,464.01
	PUBLIC SAFETY	
3100	Police	54,618.12
3200	Fire	28,714.11
2403	Building Safety	135,776.45
2404	Plng/Bldg Sfty Administration	20,063.06
		239,171.74
	PUBLIC WORKS	
4101	Engineering	14,483.57
4200	Streets/Park Maintenance	11,221.27
4300	Wastewater	4,210.31
4601	Equipment Maintenance	13,586.39
4801	Administration	200.00
		43,701.54
	COMMUNITY DEVELOPMENT	
5100,5200	Recreation & Parks	11,707.51
5400	Centennial	
		11,707.51
	EXPENDITURES	
	CAPITAL IMPROVEMENT	1,302.75
	ALL OTHER ACCOUNTS	96,154.46
	TOTAL WARRANTS	551,502.01

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.10

TITLE:

Second Reading of Ordinance adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).

RECOMMENDATION:

1. Waive second reading and adopt Ordinance No. 1635 adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02).

FISCAL IMPACT:

A Fiscal Impact Analysis was conducted to determine the impact of the proposed project on the City budget through a comparison of anticipated annual City revenues (taxes, service charges, etc.) versus the anticipated annual City costs for services (police, fire, recreation, etc.). The Fiscal Impact Analysis estimates the proposed mixed-use project will yield a net negative impact on the City's budget of $127,631 annually. For contextual purposes, residential developments generally have a negative direct fiscal impact on cities compared to commercial developments. However, mixed-use multi-family residential uses result in an overall positive economic impact by creating complimentary, revenue-generating uses along commercial corridors, a stronger local customer base, and expanded overall service demands for local businesses.

BACKGROUND:

On March 15, 2022, City Council conducted a duly noticed public hearing and received public testimony to consider the Pacific Coast Commons Specific Plan project. After discussion on the item, City Council adopted resolutions certifying a Final Environmental Impact Report (FEIR) for the Pacific Coast Commons Specific Plan and Development Project approving General Plan Amendment No. GPA 19-01, Subdivision No. SUB 19-03 (Vesting Tentative Tract Map), Site Plan Review No. 19-01, Parking Demand Study, and waiver of public right-of-way dedications for the Pacific Coast Commons Specific Plan and mixed-use development project. City Council also

introduced Ordinance No. 1635 adopting the Pacific Coast Commons Specific Plan (SP 19-01), approving Zone Change (ZC 19-01), Zone Text Amendment (ZTA 19-08), and Development Agreement (DA 19-02). The second reading and adoption of the subject Ordinance was scheduled for the April 19, 2022 City Council meeting.

DISCUSSION:

City Council may waive second reading and adopt the Ordinance without further discussion. If City Council adopts the Ordinance at its April 19, 2022 meeting, the effective date of the Ordinance will be May 20, 2022, which is 30 days from the adoption date.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:
Paul Samaras, AICP, Principal Planner
REVIEWED BY:
Michael Allen, AICP, Development Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance No 1635

ORDINANCE NO. 1635

AN ORDINANCE APPROVING ZONE CHANGE AND ZONING MAP AMENDMENT NO. 19-01, SPECIFIC PLAN NO. SP 19-01, ZONE TEXT AMENDMENT NO. ZTA 19-08, AND DEVELOPMENT AGREEMENT NO. DA 19-02 FOR THE PACIFIC COAST COMMONS SPECIFIC PLAN AND PACIFIC COAST COMMONS MIXED-USE PROJECT AT 475-629 PACIFIC COAST HIGHWAY.

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: The Council finds and declares as follows:

A. On May 31, 2019, BRE El Segundo Holdco, LLC, submitted applications for an Environmental Assessment (EA No. 1248), General Plan Amendment and General Plan Map Amendment No. GPA 19-01, Specific Plan No. SPA 19-01, Zone Change and Zoning Map Amendment No. ZC 19-01, Zone Text Amendment No. ZTA 19-08, Development Agreement No. DA 19-02, and Subdivision No. SUB 19-03 for Vesting Tentative Map No. 82806 for the Pacific Coast Commons Specific Plan and Pacific Coast Commons Mixed-Use Project at 475-629 North Pacific Coast Highway ("Project");

B. The project applications were reviewed by the City's Development Services Department for, in part, consistency with the General Plan and conformity with the ESMC;

C. The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines");

D. An Environmental Impact Report (EIR) was prepared pursuant to the requirements of CEQA and the CEQA Guidelines;

E. On November 18, 2021, December 9, 2021 and February 10, 2022, the Planning Commission held duly-noticed public hearings at the conclusion of which the Planning Commission adopted Resolution No. 2905 recommending the City Council certify the EIR and approve the Project including, without limitation, adopting this Ordinance;

F. On March 15, 2022, the City Council held a public hearing and considered the information provided by City staff, public testimony, and representatives of BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC regarding this Ordinance; and

G. This Ordinance and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City

Council at its March 15, 2022 hearing and the staff report submitted by the Development Services Department.

SECTION 2: *Environmental Assessment.* Prior to adopting this Ordinance, the City Council adopted Resolution No. 5319 certifying a Final Environmental Impact Report (FEIR), adopting Findings of Fact and a Statement of Overriding Considerations (SOC) and adopting a mitigation monitoring and reporting program (MMRP) for this Project which, among other things, properly assesses the environmental impact of this Ordinance, and the Project, in accordance with CEQA. This Ordinance incorporates by reference the environmental findings and analysis set forth in Resolution No. 5319.

SECTION 3: *General Plan Amendment.* Prior to adopting this Ordinance, the City Council adopted Resolution No. 5319 for General Plan Amendment No. 19-01, changing the land use designation for the property at 475-629 North Pacific Coast Highway from General Commercial and Parking to Pacific Coast Commons Specific Plan (PCCSP).

SECTION 4: *Factual Findings and Conclusions*. The City Council finds that the following facts exist:

A. The subject property is located at 475-629 North Pacific Coast Highway in the northwest quadrant of the City of El Segundo.

B. The property site is a level 6.385 gross acre site located on two blocks along Pacific Coast Highway.

C. The project site is comprised of two blocks and is currently improved with two existing hotels and two existing paved parking lots. The block bounded by Pacific Coast Highway, Holly Avenue, Indiana Street and Mariposa Avenue is currently developed with the 350-room Fairfield Inn and Suites and the 246-room Aloft hotels totaling approximately 325,000 gross square feet combined and a paved parking lot. The portion of the project site on the block north of Mariposa Avenue and south of Palm Avenue is developed with a paved surface parking lot. No trees are located on the parking lot site.

D. The project is a residential and commercial mixed-use concept. The Specific Plan would allow 622,398 gross square feet of development including 282,398 square feet of existing development that would remain. The proposed maximum development density is a 2.70 Floor Area Ratio (FAR) after dedications for right-of-way improvements. The Specific Plan would allow a maximum of two hundred sixty-three residential dwelling units including thirty-two affordable housing units located among three of the Land Use Districts within the Specific Plan. Each new lot will meet or exceed the minimum size and dimension requirements.

E. The surrounding land uses include a fast food restaurant (Carl's Jr.), a vacant restaurant and parking lot, and multi-family residential uses to the north and a gas station on the northwest corner of Mariposa Avenue and Pacific Coast Highway; restaurants and office uses, a Ralphs market, two commercial shopping centers with retail and restaurant uses, and a 6-story office building to the east; a small

commercial shopping center with a drug store, bank, two restaurants and retail store to the south; and multi-family residential uses to the west.

F. Development standards for allowable uses have been developed for the Specific Plan and all uses within the Plan area must be compliant. The allowed uses identified in the development standards include multiple-family residential uses including both townhomes and apartments, and a range of commercial uses including but not limited to, hotel, retail, restaurant, and offices.

G. This Ordinance rezones the area from the General Commercial (C-3) Zone and Parking (P) Zone to the Pacific Coast Commons Specific Plan (PCCSP) Zone and adopts the Pacific Coast Commons Specific Plan.

H. The PCCSP contains five land use designations. These are: PCC Mixed-Use 1 (PCC MU-1), PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), PCC Commercial-3 (PCC COM-3), and PCC Mixed-Use 2 (PCC MU-2). The PCC MU-1 designation applies to one parcel comprised of 1.241 acres after right-of-way dedications. The PCC COM-1 designation applies to one parcel comprised of 0.905 acres after right-of-way dedications. The PCC COM-2 designation applies to one parcel comprised of 1.549 acres after right-of-way dedications. The PCC COM-3 designation applies to one parcel comprised of acres after 0.728 acres after right-of-way dedications. The PCC MU-1 designation applies to two parcels comprised of 1.806 acres after right-of-way dedications.

I. The Project includes completion of a roadway widening on Mariposa Avenue and the addition of a new eastbound dedicated right-turn only travel lane that turns south onto Pacific Coast Highway. The Project also includes roadway widening on Holly Avenue.

SECTION 5: *Zone Change Findings.*

A. Based on the factual findings set forth in Section 4 of this Ordinance and the evidence in the record as a whole, the proposedZone Change is necessary to carry out the proposed project because the proposedGeneral Plan Amendment changes the land use classification of the project site from General Commercial and Parking to Pacific Coast Commons Specific Plan (PCCSP). The Zone Change changing the property and the Zoning Map from General Commercial (C-3) and Parking (P) to Pacific Coast Commons Specific Plan (PCCSP) is necessary to maintain consistency with the proposed General Plan land use designation of Pacific Coast Commons Specific Plan.

B. ESMC Title 15 is intended to be the primary tool for implementing the goals, objectives and policies of the El Segundo General Plan. The zone change will maintain consistency with the change in General Plan land use designation to Pacific Coast Commons Specific Plan and is also consistent with the General Plan goals, objectives and policies set forth in Section 4 of ResolutionNo. 5319. Those findings of consistency are incorporated by reference as if fully set forth herein.

SECTION 6: *Zone Text Amendment Findings.* Based on the factual findings in Resolution No. 5319, as incorporated into this Ordinance, the Zone Text Amendment is necessary to implement the Project and establish the proposed Pacific Coast Commons Specific Plan (PCCSP) Zone. An amendment to ESMC § 15-3-2(A) to add a new subsection (12) to create the Pacific Coast Commons Specific Plan (PCCSP) Zone is necessary for consistency with the General Plan.

SECTION 7: *Specific Plan Findings.* The Pacific Coast Commons Specific Plan (PCCSP) will provide the comprehensive planning and zoning regulations for the proposed residential and commercial mixed-use development concept. Based on the factual findings set forth herein and in Resolution No. 5319, together with the evidence in the administrative record as a whole, the City Council finds that the PCCSP will further the goals, policies and objectives of the General Plan and will not obstruct their attainment. The City Council further finds that the PCCSP contains all of the elements required of a specific plan pursuant to Government Code section 65451.

SECTION 8: *Development Agreement Findings.* Pursuant to City Council Resolution No. 3268, adopted June 26, 1984, the City Council finds that:

A. The project is consistent with the objectives, policies, general land uses, and programs specified in the general plan and any applicable specific plan. The Development Agreement would provide the following public benefits in exchange for valuable development rights (fifteen-year entitlement with a five-year extension option):

1. Create a Specific Plan with a range of multiple-family residential and commercial uses that will contribute to the City's housing stock including the addition of affordable housing units and contribute to job creation opportunities and balance growth with local resources and infrastructure capacity. Additionally, the addition of housing units will improve the jobs-housing balance within the City.

2. The project will provide thirty-two affordable housing units for occupancy by low income and very low-income households for 55 years.

3. The project will help foster economic development in the City by contributing to a strong business climate, with positive outcomes such as business retention and attraction, as well as effective levels of City services to all members of the community.

4. The project will increase the City's tax base including utility user tax, property tax and sales tax, and therefore provide the City with resources to provide high-quality services to residents and the daytime population.

5. The project includes the payment of $50,000 to the City for either the costs to implement a permit parking district adjacent to the Project site if the residents petition for such district or, to be used by the City for public

improvements in the geographical vicinity of the Project site.

6. The project also includes the payment of up to an additional $100,000 to implement potential measures regarding traffic, parking, speeding, bikeways and pedestrian safety in the general area based on a study which the City may conduct six months after the project is fully occupied (90% or greater occupancy).

7. Community Non-Profit Space. The project will provide 1,000 square feet of community space on the ground floor of the Fairfield parking structure.

8. Landscaping improvements. Additional landscaping and trees will be provided on the west side of Indiana Street between Mariposa Avenue and Holly Avenue. Enhanced landscaping and pedestrian seating will be provided in the existing landscaped areas in front of the Fairfield Inn and Suites and Aloft hotels that will be installed with the development of the PCC South Site. Six new street trees will be planted along the PCC South Site development street frontage. Enhanced landscaping will be provided with the development of the PCC North Site along the western block wall.

9. Enhanced on-site paving improvements. Enhanced on-site paving improvements will be provided at several vehicular entrances/exits to the three new development areas.

10. EV Charging. The project will include 200 EV capable spaces including 50 installed EV chargers across the PCC Specific Plan area.

11. Solar Panels. Solar panels will be installed in the PCC North and PCC South residential developments that will generate sufficient power for their respective common areas power needs.

12. Battery Storage. The project will comply with the battery storage system requirements consistent with the 2022 Building Energy Efficiency Standards (Title 24 Energy Code) for both PCC North and PCC South.

13. Fencing improvements. Chain link fencing at the Fairfield and Aloft Hotel sites will be removed and replaced with decorative fencing.

14. The increase in density, which is located along a major bus route corridor and approximately ½ mile from the existing Metro Green Line Light Rail Station at Mariposa Avenue and Nash Street, helps implement regional planning programs and plans such as the SCAG Regional Transportation Plan/Sustainable Communities Strategy and efforts towards improving mobility and livability.

15. The increase in density close to the existing Metro Green Line light rail station also implements General Plan Land Use Element Policy LU 4-4.6 promoting denser mixed-use development near the City's existing Metro

Green Line stations.

B. The project is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located. The proposed project includes a new land use designation and zoning classification, which establishes the permitted uses and development standards that would apply to the project. These uses and development standards are similar and compatible with the other commercially zoned districts in the City.

C. The project conforms to public convenience, general welfare and good land use practice. The Pacific Coast Commons Specific Plan includes a range of multiple-family residential and commercial uses that will contribute to the City's housing stock including affordable units, contribute to job creation opportunities, balance growth with local resources and infrastructure capacity, and improve the jobs-housing balance within the City. The project will provide roadway improvements on Holly Avenue and on Mariposa Avenue including a new dedicated eastbound (to southbound) right turn lane on Mariposa Avenue.

D. The project will not be detrimental to the health, safety and general welfare. An EIR was completed to evaluate the project which reviewed issue areas such as Aesthetics, Air Quality, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, and Utilities and Service Systems. All feasible mitigation has been incorporated into the project to reduce or eliminate potential impacts and to maintain public health, safety and general welfare. The EIR concluded that the project will have a significant, unavoidable impact with regard to air quality due to the fact that it will result in slightly higher population growth than that anticipated in the SCAG 2016 RTP/SCS for the 2016-2040 period (an increase of 618 individuals as opposed to the 600 anticipated by SCAG). Notwithstanding the fact that the project would slightly increase the City's population growth beyond SCAG's projections for the 2016-2040 period, the City Council finds that the project will not be detrimental to the health, safety and general welfare.

E. The project will not adversely affect the orderly development of property or the preservation of property values. This project is surrounded by previously developed multiple-family residential and commercially developed land and the proposed uses of the Pacific Coast Commons Specific Plan are consistent with surrounding development and will not adversely affect the value of neighboring properties. The proposed Pacific Coast Commons Specific Plan development standards and development agreement will ensure that the project will be developed in an orderly fashion. All mitigation measures will be implemented at the time and place impacts occur.

SECTION 9: *Actions*. The City Council takes the following actions:

A. ESMC § 15-3-2(A) is amended to add subsection 12 to read as follows:

"12. Pacific Coast Commons Specific Plan (PCCSP):

There are five classes of use districts intended to be used within the boundaries of the Pacific Coast Commons Specific Plan. These districts are:

PCC Mixed-Use-1 (PCC MU-1)
PCC Commercial-1 (PCC COM-1)
PCC Commercial-2 (PCC COM-2)
PCC Commercial-3 (PCC COM-3)
PCC Mixed-Use-2 (PCC MU-2)"

B. The current Zoning Map is amended by changing the Project site from "Parking" and "General Commercial (C-3)" to "Pacific Coast Commons Specific Plan," including the zoning district designations within the Specific Plan. The corresponding changes to the Zoning Map are set forth in attached Exhibit "A," which is incorporated into this Ordinance by reference.

C. The "Pacific Coast Commons Specific Plan" is adopted as set forth in attached Exhibit "B," which is incorporated into this Ordinance by reference.

D. The Development Agreement by and between the City of El Segundo and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, AND BRE El Segundo Parking LLC, as set forth in attached Exhibit "C," and incorporated into this Ordinance by reference, is approved. The Mayor is authorized to execute the Development Agreement in a form approved by the City Attorney.

E. To the extent they are not otherwise adopted or approved by this Ordinance, the City Council approves Zone Change and Zoning Map Amendment No. ZC 19-1 and Zone Text Amendment No. ZTA 19-08.

SECTION 10: *Exhibits.* This Ordinance includes the following exhibits which are attached hereto and made a part hereof:

A. Zoning Map Amendment
B. Pacific Coast Commons Specific Plan
C. Development Agreement

SECTION 11: *Reliance on Record.* Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 12: *Limitations.* The City Council's analysis and evaluation of the Project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are the limitations on the City's ability to solve what are in effect regional, state, and national problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

SECTION 13: *Summaries of Information.* All summaries of information in the findings which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

SECTION 14: *Construction*. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 15: *Enforceability*. Repeal of any provision of the ESMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 16: *Validity Of Previous Code Sections.* If this entire Ordinance or itsapplication is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the ESMC or other city ordinance by this Ordinance will be rendered voidand cause such previous ESMC provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 17: *Severability.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 18: *Certification and Recordation.* The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause a summary thereof to be published or posted in accordance with California law. Additionally, the City Clerk is directed to record the Development Agreement.

SECTION 19: *Effective Date.* This Ordinance shall take effect 30 days after its passage and adoption.

PASSED AND ADOPTED this___day of_____, 2022.

_____
Drew Boyles, Mayor

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No._____was duly introduced by said City Council at a regular meeting held on the___ day of_____2022, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the___ day of_____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

Parking (P)
General Commercial (C-3)
Pacific Coast Commons Specific Plan Boundary

0 500 1,000
Feet

N

EXHIBIT "A"

City of El Segundo

Pacific Coast Commons Specific Plan
Existing Zoning

Default Folder: Y:\map_proj\Planning\Pacific Coast Commons Specific Plan

City of El Segundo

Pacific Coast Commons Specific Plan
Proposed Specific Plan and Zoning Districts

Default Folder: Y:\map_proj\Planning\Pacific Coast Commons Specific Plan

EXHIBIT "B"

PACIFIC COAST COMMONS SPECIFIC PLAN

Specific Plan No. SP 19-01

February 2022

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I. INTRODUCTION

A. SPECIFIC PLAN AREA

Pacific Coast Commons Specific Plan (PCCSP) area is located in the City of El Segundo, County of Los Angeles, California. El Segundo is situated approximately 15 miles southwest of downtown Los Angeles. The City of El Segundo is located south of the City of Los Angeles, west of the City of Hawthorne and the County of Los Angeles, north of the City of Manhattan Beach, and east of the City of Los Angeles and the Pacific Ocean (refer to Exhibit 1, *Regional Vicinity Map*).

More specifically, the roughly 6.385 gross acre area within the Specific Plan (6.23 net acres post street dedications) is located in the northwest quadrant of the City of El Segundo, approximately three quarters of a mile south of the Los Angeles International Airport (LAX) and the Glen Anderson Century Freeway (I-105), approximately two and one quarter miles west of the San Diego Freeway (SR-405), and approximately two and a half miles southwest of the juncture of these two freeways.

The site encompasses a "superblock" bounded by Pacific Coast Highway, Mariposa Avenue, Holly Avenue and Indiana Street containing the Aloft and Fairfield Inn and Suites hotels. The site also includes a parking lot on a portion of the block to the north of the hotel "superblock" that has frontage on Pacific Coast Highway, Mariposa Avenue to the south and Palm Avenue to the north (refer to Exhibit 2, *Local Vicinity Map*, and Exhibit 3, *Local Vicinity Aerial View*).

The adjacent land uses and zoning include the following (refer to Exhibit 4, Existing Development):

North: The adjacent land uses to the north include: a fast food restaurant and a vacant restaurant and parking lot in the General Commercial (C-3) Zone; and multi-family residential uses in the Multi-Family Residential (R-3) Zone. A gas station is located on the northwest corner of Mariposa Avenue and Pacific Coast Highway in the General Commercial (C-3) Zone, which is north of the superblock that contains the two existing hotels and southeast of the parking lot for the Fairfield Inn and Suites Hotel located along Pacific Coast Highway between Mariposa and Palm Avenues. A fast-food restaurant, Carl's Jr., is located northeast of the same parking lot. Carl's Jr. is located at the southwest corner of Pacific Coast Highway and Palm Avenue.

East: The adjacent land uses to the east across Pacific Coast Highway include: a property with restaurants and office uses in the Corporate Office (CO) Zone; a Ralphs market and two commercial shopping centers with retail and restaurant uses in the General Commercial (C-3) Zone, and a 6-story office building in the Corporate Office (CO) Zone.

South: The adjacent land uses to the south of Holly Avenue include a small commercial shopping center with a drug store, bank, two restaurants and a retail store in the General Commercial (C-3) Zone.

West: The adjacent land uses to the west include multi-family residential uses in the Multi-Family Residential (R-3) Zone.

B. BACKGROUND

In 1957 a 386-room hotel known as the Thunderbird International Hotel was built on the property that is contained within the Specific Plan area. A restaurant, coffee shop, banquet rooms and lounge were added in 1958. The coffee shop was later renovated and re-opened in August 1962 as the Huki Lau restaurant with Polynesian décor and cuisine. The hotel was sold in the 1960's and renamed the Hacienda International Hotel which was later shortened to the Hacienda Hotel. The restaurant was renamed the Tiki Hut at that time as well.

The hotel was further expanded over the years and enlarged to include a maximum of 640 rooms at its peak with a reputation as the 10th largest hotel in the County of Los Angeles. In 1987, the hotel was granted a new Conditional Use Permit (EA-132; CUP 87-01) to allow for further renovations and the construction of a 60-foot tall sign tower with a 150 square-foot sign. Parking for the Hacienda Hotel was provided in multiple locations that included a parking lot located on the same block to the south of the Hacienda Hotel, a parking lot across the street on the block to the north of the hotel at 629 North Pacific Coast Highway, and some parking spaces interspersed around the hotel buildings.

On October 9, 2014 the Planning Commission approved two new conditional use permits (EA-1061; CUP 14-01 and CUP 14-02) to allow the existing Hacienda Hotel with 619 guest rooms to be split into two hotels, renovated and modernized. The North Hotel (located at 525 and 545 North Pacific Coast Highway) was renamed the Fairfield Inn and Suites and the South Hotel was renamed the Aloft Hotel (located at 475 North Pacific Coast Highway). The Aloft Hotel was reduced from 263 to 246 guest rooms and included a 6,640 square-foot addition to the existing 9-story hotel that provided a front desk area, lounge, self-serve food area, bar, multi-purpose room and exercise room. The Aloft Hotel includes an outdoor pool and an outdoor dining patio. The Aloft Hotel is 106,747 gross square feet in size. The Fairfield Inn and Suites was reduced from 356 to 350 guest rooms. The Fairfield Inn and Suites includes 3 buildings: a 9-story tower containing guest rooms, a 4-story building (with a central courtyard and pool area) that contains a lobby area, restaurant, bar, meeting rooms, a fitness room, and guest rooms, and a 2-story "food and beverage" building that contains banquet rooms, a restaurant/bar, and storage uses. The total square footage of the existing Fairfield Inn and Suites Hotel (3 buildings) is 217,311 gross square feet in size. Parking for the Aloft Hotel is provided in the existing parking lot to the south of the hotel (167 parking spaces). Additionally, 23 spaces are currently provided off-site pursuant to an off-site parking covenant in the existing parking lot at 629 North Pacific Coast Highway. Parking for the Fairfield Inn and Suites Hotel is provided primarily off-site with 213 parking spaces provided pursuant to an off-site parking covenant in the existing parking lot at 629 North Pacific Coast Highway and 33 parking spaces provided on-site.

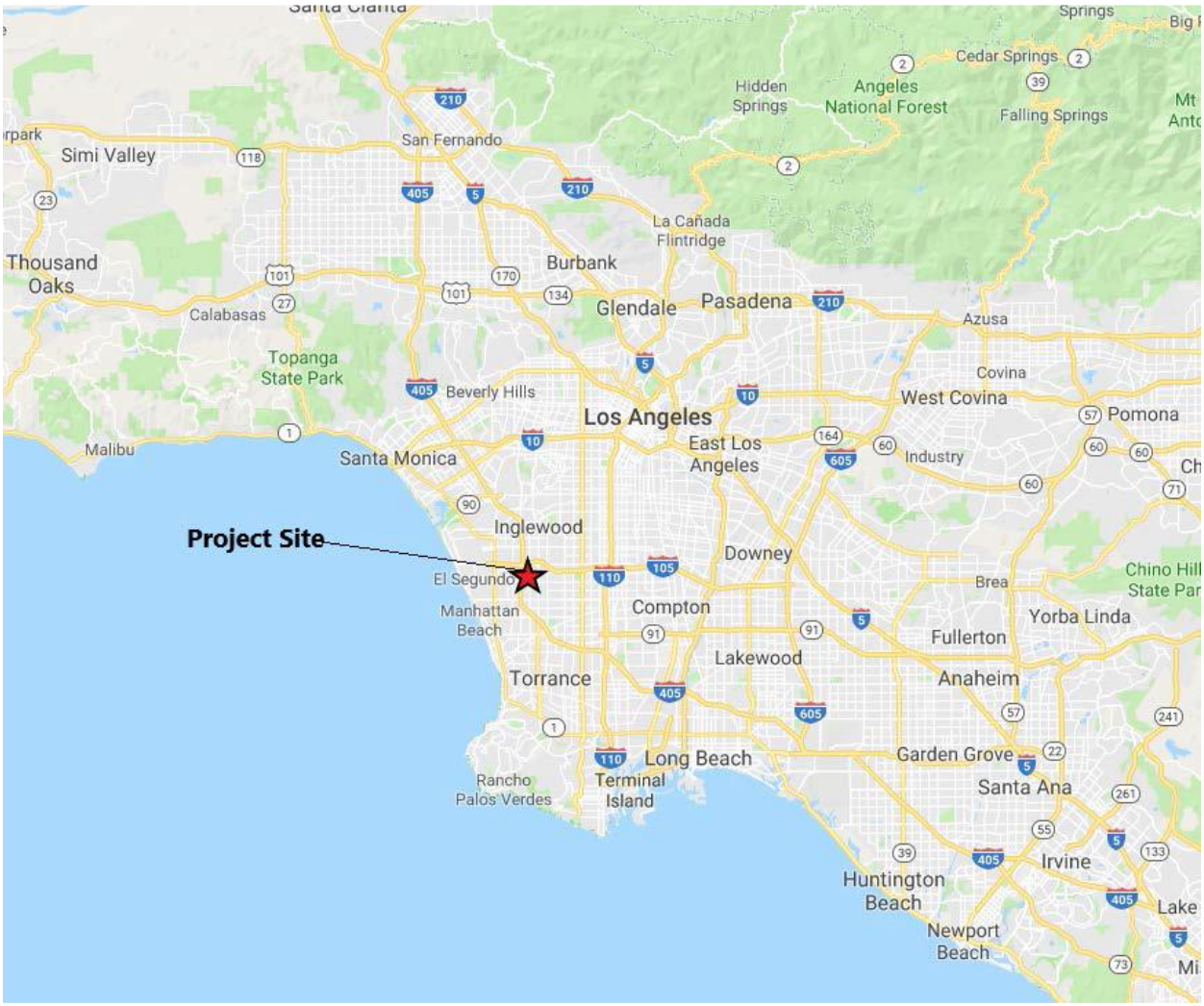

EXHIBIT 1
REGIONAL LOCATION MAP

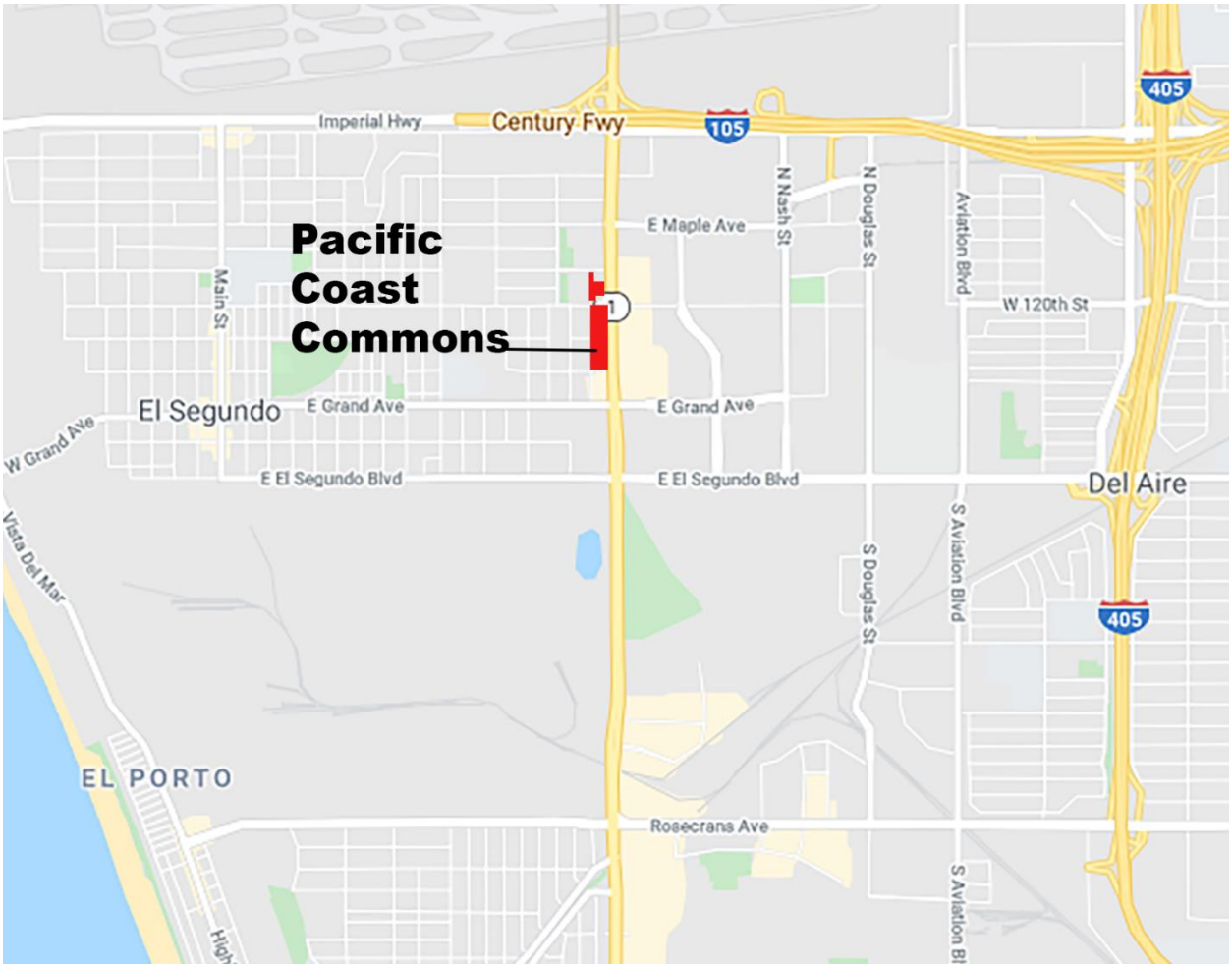

EXHIBIT 2
LOCAL VICINITY MAP

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LOCAL VICINITY AERIAL VIEW

EXHIBIT 4
EXISTING DEVELOPMENT

The Aloft Hotel is 98,741 net square feet in size with an existing 0.992 FAR based upon its current lot size and configuration where a maximum of 1.0 FAR is allowed. The 3 buildings that comprise the Fairfield Inn and Suites Hotel total 190,026 net square feet in size with an existing 1.94 FAR where 1.0 FAR is allowed (existing legal, non-conforming condition). Both properties are non-conforming in regard to many development standards as they were built prior to the current development standards of the General Commercial (C-3) Zone.

The existing uses consist of:

Table I-1
Existing Uses

Building	Use	Net Square Footage	Gross Square Footage
Aloft Hotel	246 guest rooms, lobby/check-in area, lounge/bar, retail (food self-serve), multi-purpose meeting room/hospitality suite, fitness room, outdoor pool	98,741	106,747
Fairfield Inn and Suites Hotel	350 guest rooms, lobby/check in area, restaurant/bar, meeting room/event space (banquet rooms), office, storage , outdoor pool and patio area	190,028	217,311
Total		**288,767 square feet**	**324,058 square feet**

Under the existing General Commercial (C3) development standards no additional development could occur as the existing hotels utilize the maximum FAR allowed. Further, the parking lot to the north is currently zoned Automobile Parking (P) which only allows surface parking lots and parking structures. Commercial development is not permitted in the Automobile Parking (P) Zone. Therefore, a Specific Plan is needed in order to allow the proposed mixed-use residential/commercial development to be added to the site along with the two existing hotels that will remain.

BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE EL Segundo Parking LLC (collectively, "BRE El Segundo") filed for this Specific Plan along with other applications. The other applications include an Environmental Assessment, a General Plan and General Plan Map Amendment, Zone Change, Zoning Map Amendment, Zone Text Amendment, a Development Agreement, a Subdivision of Land (Vesting Tentative Map), Site Plan Review, a Parking Demand Study and Shared Parking Analysis, street dedication waivers for a portion of the dedication requirements for Mariposa Avenue and Indiana Street, reciprocal access agreements, an amendment to Resolution Nos. 2759 and 2760 to rescind the previous approvals of SUB No. 1405, Lot Tie Covenant No. 14-03, Off-site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP Nos. 14-01 for the Fairfield Inn and Suites Hotel and CUP No. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modifications to the conditions

of approval accordingly, and new off-site parking covenants to replace the previously approved Parking Covenant Nos. MISC 14-03 and 14-06. The intent of the Specific Plan is to allow the development of the Specific Plan area with the combination of new and existing development with allowed residential and commercial uses with an average floor area ratio (FAR) of 2.15:1, a minimum floor area ratio (FAR) of 0.16:1 in any one land use district and a maximum floor area ratio (FAR) of 2.70:1 in any one land use district. The majority of the new development will target adding new housing stock to the community to meet existing and future housing needs through the development of existing surface parking lots and demolition of 41,660 gross square feet of a portion of the Fairfield Inn and Suites hotel ("Food and Beverage" Building") located at the southwest corner of Mariposa Avenue and Pacific Coast Highway. The adoption of this Specific Plan will allow expansion of the uses permitted on the site with development standards tailored to the unique mix of hotel, residential and commercial (retail and office) uses on the site.

C. DEMOGRAPHICS

According to the 2010 United States Census, as of 2010 El Segundo had a population of 16,654 persons and a total of 7,410 dwelling units. From 2000 to 2010, El Segundo's population increased by 4%. The California Department of Finance reported a population of 17,066 persons in May 2019. The 2019 Profile of the City of El Segundo prepared by the Southern California Association of Governments ("SCAG") indicates that as of 2017 there were 48,515 jobs in the City of El Segundo.

D. ECONOMIC CONTEXT

At its peak before the economic recession in 2008, El Segundo had a daytime population of approximately 85,000 persons compared to its resident population of approximately 17,000 persons. There was a net loss of jobs in the City between 2007 and 2012 with the number of jobs beginning to increase again in 2013. According to SCAG's 2015 profile the total number of jobs dropped from 56,559 persons in 2007 to 38,447 jobs in 2012. In addition to the fiscal benefits including increased sales tax, utility tax and property tax that will be provided as a result of the added residential and commercial uses, the potential for approximately 56 additional jobs that will be created by this Specific Plan will improve the overall economic health of the City. The additional jobs will be the result of the new commercial uses as no changes in employment are anticipated at the two existing hotels with the adoption of this Specific Plan. The additional jobs and increased tax base will contribute to the City's ability to provide high quality municipal services to the benefit of the City's resident and business community. The addition of 263 housing units will have a positive effect on the jobs/housing balance by increasing the number of housing units in the City to support El Segundo's jobs rich environment.

II. OVERVIEW OF THE SPECIFIC PLAN

A. PURPOSE AND AUTHORITY OF SPECIFIC PLAN

The purpose of this Specific Plan is to provide a foundation for the proposed land uses on the subject property through the application of regulations, standards and design guidelines. The Pacific Coast Commons Specific Plan provides text and exhibits which describe the proposed land uses and associated guidelines.

This Specific Plan is adopted pursuant to Government Code §§ 65450 through 65457.

Pursuant to Government Code § 65451, a Specific Plan must include text and a diagram or diagrams which specify all of the following in detail:

- The distribution, location, and extent of the uses of land, including open space within the area covered by the plan.
- The proposed distribution, location, extent, and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy and other essential facilities proposed to be located within the land area covered by the plan and needed to support the land uses described in the plan.
- Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
- A program of implementation measures including regulations, programs, public works projects and financing measures necessary to carry out the above items.
- A discussion of the relationship of the Specific Plan to the General Plan.

A thorough review of the El Segundo General Plan shows that this Specific Plan is compatible and consistent with the goals and policies outlined in the General Plan. This Specific Plan will further the goals and policies of the General Plan as more fully described below.

This Specific Plan was prepared to provide the essential relationship between the policies of the El Segundo General Plan and actual development in the Project area. By functioning as a regulatory document, the Pacific Coast Commons Specific Plan provides a means of implementing the City of El Segundo's General Plan. All future development plans and entitlements within the Specific Plan boundaries must be consistent with the standards set forth in this document. The Specific Plan is the sole regulatory document for development standards and design standards except where explicit references are made to the El Segundo Municipal Code or where terms used in this Specific Plan are defined in the El Segundo Municipal Code Section 15-1-6 and are not defined herein.

B. SPECIFIC PLAN SCOPE AND GOALS

The City of El Segundo is an employment-led community and accordingly, development has been led by employment rather than housing growth. The Pacific Coast Commons Specific Plan will: 1) serve the mission of economic development in the City which is to create, maintain, and implement a business climate that fosters a strong economic community; 2) provide opportunities for new high-quality multiple-family housing (apartments and townhomes) that will increase housing supply to meet the needs of El Segundo residents and employees in El Segundo's expanding business community; 3) improve the jobs/housing balance by increasing housing supply; 4) add affordable housing to the City; 5) provide benefits to air quality through the reduction of greenhouse gas emissions by providing new housing in close proximity to jobs and public transit; 6) enhance sustainability through the design of the development; and 7) maintain the quality of life that has characterized El Segundo for more than one hundred years.

Permitted uses within the Specific Plan area will create both housing and job opportunities for the residential and business community. The new commercial uses (restaurant, retail and office) allowed by the Specific Plan will create a synergy with the existing hotels, the new multi-family residential uses, and other existing commercial and industrial uses in the surrounding area. The commercial uses will provide needed amenities for the residents of the multi-family residential uses and the multi-family residential uses will support the growth of the surrounding commercial businesses. The design of the project will provide a high-quality pedestrian environment that will be compatible with the surrounding uses and create a sense of place for the surrounding neighborhood. The development allowed under the Specific Plan will provide a basis for a positive contribution to the maintenance and expansion of El Segundo's economic base as development typically increases the City's business license taxes, increases the City's utility user taxes, and increases the City's sales taxes. An increased economic base will provide the City with resources to provide high-quality services to its residents and daytime population.

C. CONSISTENCY WITH THE GENERAL PLAN

The El Segundo General Plan provides the underlying fundamentals of the Pacific Coast Commons Specific Plan, which serves both as a planning and regulatory document. The Specific Plan is the document implementing the El Segundo General Plan for the Specific Plan area.

Proposed development plans, tentative maps, and any other development approvals must be consistent with the Specific Plan. Projects consistent with this Specific Plan will be automatically deemed consistent with the General Plan.

Concurrent with the adoption of the Pacific Coast Commons Specific Plan the City also processed a General Plan Amendment that changes the Land Use Designation from General Commercial for the block bounded by Pacific Coast Highway, Mariposa Avenue, Indiana Street, and Holly Avenue to the Pacific Coast Commons Specific Plan and from Parking for the remaining parcels to the Pacific Coast Commons Specific Plan with an accompanying Land Use map change. The Specific Plan is therefore consistent with the General Plan of the City of El Segundo. More specifically, the Specific Plan directly implements or furthers the intent of the following goals, objectives and policies of the General Plan:

ECONOMIC DEVELOPMENT ELEMENT

Goal ED1: To create in El Segundo a strong, healthy economic community in which all diverse stakeholders may benefit.

Objective ED1-1 To build support and cooperation among the City of El Segundo and its business and residential communities for the mutual benefits derived from the maintenance and expansion of El Segundo's economic base.

Policy ED1-1.1: Maintain economic development as one of the City's and the business and residential communities' top priorities.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

Policy ED1-2.2: Maintain and promote land uses that improve the City's tax base, balancing economic development and quality of life goals.

LAND USE ELEMENT

Policy LU1-5.8: Innovative land development and design techniques as well as new materials and construction methods should be encouraged.

Goal LU3: Promote the health, safety, and well-being of the people of El Segundo by adopting standards for the proper balance, relationship, and distribution of the residential land uses.

Objective LU3-1: Preserve, protect, and extend, if possible, existing Single-Family Residential uses.

Policy LU3-2.1: Promote construction of high quality Multi-Family Residential development with ample open space, leisure and recreational facilities.

Policy LU3-2.2: Multi-family development will be located only in appropriate places and evaluated carefully to insure that these developments are not detrimental to the existing single-family character.

Objective LU3-3.1: Adopt and enforce recreational area requirements for large multiple unit developments.

Goal LU4: Provide a stable tax base for the City through development of new commercial uses, primarily within a mixed-use environment, without adversely affecting the viability of Downtown.

Objective LU4-1: Promote the development of high quality retail facilities in proximity to major employment centers.

Policy LU4-1.1: Require landscaping, its maintenance, and permanent upkeep on all new commercial developments.

Policy LU4-1.2: All commercial facilities shall be built and maintained in accordance with Health and Safety Code requirements and shall meet seismic safety regulations and environmental regulations.

Policy LU4-1.4 New commercial developments shall meet seismic safety standards and regulations, as well as comply with all noise, air quality, water and environmental regulations.

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

Policy LU4-4.6: Promote mixed-use development near transit nodes and encourage modes of transportation that do not require an automobile.

Goal LU7: Provide the highest quality public facilities, services, and public infrastructure possible to the community.

Policy LU7-1.2: No new development shall be allowed unless adequate public facilities are in place or provided for.

Policy LU7-2.3: All new development shall place utilities underground.

CIRCULATION ELEMENT

Goal C1: Provide a safe, convenient, and cost-effective circulation system to serve the present and future circulation needs of the El Segundo community.

Objective C1-1: Provide a roadway system that accommodates the City's existing and project land use and circulation needs.

Policy C1-1.8: Provide all residential, commercial, and industrial areas with

efficient and safe access to the major regional transportation facilities.

Policy C1-1.9: Provide all residential, commercial, and industrial areas with efficient and safe access for emergency vehicles.

Policy C1-1.14: Require a full evaluation of potential traffic impacts associated with proposed new developments prior to project approval. Further require the implementation of appropriate mitigation measures prior to, or in conjunction with project development. Mitigation measures may include new roadway links on segments that would connect the new development to the existing roadway system, intersection improvements, and other measures. Mitigation measures shall be provided by or paid for by the project developer.

Objective C1-3: *Ensure that the City's Master Plan Truck Route System efficiently serves the shipping needs of the commercial and industrial land uses in El Segundo while balancing potential conflicts with residential and recreation land uses throughout the City.*

Policy C1-3.2: Ensure that the development review process incorporates consideration of off-street commercial loading requirements for all new projects.

Objective C2-1: *Provide a pedestrian circulation system to support and encourage walking as a safe and convenient travel mode within the City's circulation system.*

Policy C2-1.6: Encourage shopping areas to design their facilities for ease of pedestrian access.

Policy C2-1.7: Closely monitor design practices to ensure a clear pedestrian walking area by minimizing obstructions, especially in the vicinity of intersections.

Objective C2-2: *Provide a bikeway system throughout the City to support and encourage the use of the bicycle as a safe and convenient travel mode within the City's circulation system.*

Policy C2-2.1: Implement the recommendations on the Bicycle Master Plan contained in the Circulation Element, as the availability arises; i.e., through development, private grants, signing of shared routes.

Policy C2-2.2: Encourage new development to provide facilities for bicyclists to park and store their bicycles and provide shower and clothes changing facilities at or close to the bicyclist's work destination.

Policy C2-5.1: Ensure that Transportation Demand Management (TDM) measures are considered during the evaluation of new developments within the City, including but not limited to ridesharing, carpooling and vanpooling, flexible work schedules, telecommuting and car/vanpool preferential parking.

Policy C3-1.8: Require the provision of adequate pedestrian and bicycle access for new development projects through the development review process.

Policy C3-2.1: Ensure the provision of sufficient on-site parking in all new development.

HOUSING ELEMENT

Goal 3: Provide opportunities for new housing construction in a variety of locations and a variety of densities in accordance with the land use designations and policies in the Land Use Element.

OPEN SPACE AND RECREATION ELEMENT

Goal OS1: Provide and maintain high quality open space and recreational facilities that meet the needs of the existing and future residents and employees within the City of El Segundo.

CONSERVATION ELEMENT

Policy CN2-5: Require new construction and development to install water-conserving fixtures and appliances to reduce the amount of new demand.

Policy CN2-7: Require new construction and development to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-8: Encourage the retrofitting of existing landscapes to incorporate the principles and practices of sound landscape design and management, particularly those conserving water and energy.

Policy CN2-11: Encourage, whenever appropriate and feasible, development techniques which minimize surface run-off and allow replenishment of soil moisture. Such techniques may include, but not be limited to, the on-site use and retention of storm water, the use of pervious paving material (such as walk-on-bark, pea gravel, and cobble mulches), the preservation of vegetative covers, and efficiently designed and managed irrigation systems.

AIR QUALITY ELEMENT

Goal AQ3: Vehicle work trip reduction for private employees.

Objective AQ-3-1: Increase the proportion of work trips made by transit.

Goal AQ12: Reduction in Residential, Commercial, and Industrial Energy Consumption.

Objective AQ-12-1: Enact the recommendations of the AQMP Energy Working Group for commercial and residential buildings and adopt ordinances to mitigate air quality impacts from water and pool heating systems.

Policy AQ-12-1.2: It is the policy of the City of El Segundo that the City encourage the incorporation of energy conservation features in the design of new projects and the installation of conservation devices in existing developments.

NOISE ELEMENT

Goal N1: Encourage a high quality environment within all parts of the City of El Segundo where the public's health, safety, and welfare are not adversely affected by excessive noise.

Objective N1-1: It is the objective of the City of El Segundo to ensure that City residents are not exposed to mobile noise levels in excess of the interior and exterior noise standards or the single event noise standards specified in the El Segundo Municipal Code.

Objective N1-2: It is the objective of the City of El Segundo to ensure that City residents are not exposed to stationary noise levels in excess of El Segundo's Noise Ordinance standards.

Policy N1-2.1: Require all new projects to meet the City's Noise Ordinance Standards as a condition of building permit approval.

Program N1-2.1A: Address noise impacts in all environmental documents for discretionary approval projects, to insure that noise sources meet City Noise Ordinance standards. These sources may include mechanical or electrical equipment, truck loading areas, or outdoor speaker systems.

PUBLIC SAFETY ELEMENT

Goal PS1: Protect the public health and safety and minimize the social and economic impacts associated with geologic hazards.

Objective PS1-1: It is the objective of the City of El Segundo to reduce exposure to potentially hazardous geological conditions through land use planning and project review.

Policy PS1-1.1: Continue to review proposals for new development and for the expansion of existing development in areas of potential geological hazards.

Program PS1-1.1A: The City shall review projects to ensure that slope design considers the potential effects of high rainfall, private sewage systems, landscaping irrigation, and possible runoff from adjacent future development.

Policy PS1-1.2: Enforce, monitor and improve development standards which place the responsibility on the developer, with advice from qualified engineers and geologists, to develop and implement adequate mitigation measures as conditions for project approval.

Program PS1-1.2A: The City shall review projects to ensure that adequate geotechnical investigation has been completed in areas susceptible to land sliding and debris flows and in areas where collapsible or expansive soils occur, and to approve only those which mitigate these hazards to the satisfaction of the City Engineer.

Policy PS2-1.2: The City shall assist in the prevention of structural damage in areas with a high potential for liquefaction, landslides, and mudslides by requiring geotechnical studies for new development to mitigate potential impacts.

Goal PS6: A fire safe community.

Objective PS6-1: It is the objective of the City of El Segundo that the City minimize threats to public safety and protect property from

wildland and urban fires.

Policy PS6-1.1: Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Policy PS6-1.2: Continue efforts to reduce fire hazards associated with older buildings, high-rise buildings, and fire-prone industrial facilities, and maintain adequate fire protection in all areas of the City. Review projects and development proposals, and upgrade fire prevention standards and mitigation measures in areas of high urban fire hazard.

Program PS6-1.2C: The City shall continue to require that all property be maintained in compliance with the fire code.

Goal PS7: Protect public health, safety, and welfare, and minimize loss of life, injury, property damage, and disruption of vital services, resulting from earthquakes, hazardous material incidents, and other natural and man-made disasters.

D. ENTITLEMENTS

The following entitlements are required in conjunction with this Specific Plan (SP No. 19-01):

- Environmental Assessment No. EA-1248 for the proposed mixed-use development that will add 263 housing units, approximately 11,250 square feet of commercial uses (comprised of retail, restaurant and hotel support based office uses), and 1,727 square feet of commercial floor area that cannot be occupied by commercial businesses[1], and three parking structures to provide parking for the uses in the Specific Plan area.

- General Plan Amendment No. GPA 19-01 to change the land use designation from "General Commercial" and "Parking" to "Pacific Coast Commons Specific Plan (PCCSP)" with an accompanying Land Use map change.

- Zone Text Amendment No. ZTA 19-08 to add a new ESMC §15-3-2(A)(12) "Pacific Coast Commons Specific Plan (PCCSP)."

- Zone Change No. ZC 19-01 to rezone the property from "General Commercial (C-3)" and "Parking (P)" to "Pacific Coast Commons Specific Plan (PCCSP)" and an accompanying Zoning map change.

[1] This commercial floor area is located in the Fairfield Parking Site and is comprised of lobby area and access to the multiple levels of the parking structure and any central circulation areas such as hallway access from the rear of commercial businesses to the lobby and parking structure that is not usable floor area located within those commercial businesses. This square footage is labeled as lobby area in Table III-II in this Plan.

- Development Agreement No. DA 19-02 between the City of El Segundo and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC.

- Vesting Tentative Tract Map No. (VTTM 82806) SUB 19-03 – for merger, subdivision and residential/commercial condominium purposes reconfiguring 3 parcels (comprised of 12 existing lots) on the block bounded by Pacific Coast Highway, Mariposa Avenue, Indiana Street and Holly Avenue and 3 parcels (comprised of portions of 4 existing lots) on the block north of Mariposa Avenue and south of Palm Avenue in the Specific Plan Area into 6 new individual lots. Additionally, the Vesting Tentative Tract Map No. 82806 will allow: a) 1 residential ground and airspace parcel for 120 apartments and a maximum of 10 airspace parcels for commercial condominiums on Lot 1; b) a ground and airspace parcel for the parking structure and up to a maximum of 10 airspace parcels for commercial condominiums on Lot 4; and c) 1 residential ground and airspace parcel for 137 apartments and up to a maximum of 20 airspace parcels for commercial condominiums on Lot 5; and d) 6 residential condominiums (townhomes) on Lot 6.

- Site Plan Review No. SPR 19-01 to allow the site plan and architectural design to construct the mixed-use commercial and residential development for the 263 residential units, 11,252 square feet of new commercial development, 1,727 square feet of commercial floor area that cannot be occupied by commercial businesses[2], and 3 parking structures.

- Modification of Resolution Nos. 2759 and 2760 to rescind the previous approvals SUB No. 14-05, Lot-Tie Covenant No. 14-03, Off-site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP No. 14-01 for the Fairfield Inn and Suites Hotel and CUP No. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modifications to the conditions of approval accordingly.

- Parking Demand Study and Shared Parking Analysis to establish the parking requirements for the proposed commercial and residential development combined with the existing hotel development.

- Shared Parking Agreement in conjunction with the Parking Demand Study and Shared Parking Analysis, to replace the previous approval of Off-Site Parking Covenant Nos. MISC 14-03 and MISC 14-06.

- Reciprocal Access Agreements for driveways and drive aisles accessing multiple parcels.

[2] This commercial floor area is located in the Fairfield Parking Site and is comprised of lobby area and access to the multiple levels of the parking structure and any central circulation areas such as hallway access from the rear of commercial businesses to the lobby and parking structure that is not usable floor area located within those commercial businesses. This square footage is labeled as lobby area in Table III-II in this Plan.

- Street dedication waiver requests for a portion of the dedication requirements for the south side of Mariposa Avenue and for a portion of the dedication requirements for the east side of Indiana Street.

Findings justifying the General Plan Amendment and Zone Change include:

1. The primary objective of the Specific Plan is to provide for superior, more comprehensive site planning of the Specific Plan area and zoning standards that address the needs of the unique master planned site that will maintain the existing hotel uses and construct new mixed-use multiple-family residential and commercial neighborhood serving uses in three phases.

2. Uses permitted within the Specific Plan area are consistent with the proposed zoning and are compatible with adjacent uses.

3. The Specific Plan will provide for additional housing opportunities in a variety of housing sizes, types and densities in support of the goals of the Housing Element of the General Plan.

E. EXISTING LAND USES

The City of El Segundo has distinctive land use patterns, which are divided into four quadrants by the intersection of Pacific Coast Highway and El Segundo Boulevard. Compatibility of an individual land use is determined mainly by its relationship to other uses within its quadrant. The Pacific Coast Commons Specific Plan area is located in the northwestern quadrant of the City of El Segundo, which is west of Pacific Coast Highway and north of El Segundo Boulevard. The design and implementation of this Specific Plan relate directly to its position within this larger context.

The Pacific Coast Commons Specific Plan is located in the northwest quadrant of the City. The northwest quadrant of the City has the most varied mix of uses within the City. All of the City's residential units, the Downtown area, the Civic Center, the commercial uses and hotel uses along the west side of the Pacific Coast Highway corridor and the industrial area of Smoky Hollow, are located in this quadrant.

The northeast quadrant of the City lies east across Pacific Coast Highway and north of El Segundo Boulevard. It consists primarily of corporate office and urban mixed uses which allow for office and commercial uses. The southwest quadrant of the City lies south of El Segundo Boulevard and west of Pacific Coast Highway. It consists primarily of an oil refinery/heavy industrial use. The southeast quadrant of the City lies south of El Segundo Boulevard and east of Pacific Coast Highway. It consists primarily of the light industrial land use category which allows a mixture of industrial and office uses. This quadrant also contains a commercial region which is home to the retail developments of Plaza El Segundo and the Point, which are both lifestyle commercial retail shopping centers that total approximately 500,000 square feet and the Lakes Municipal Golf Course. A Multimedia Overlay Zone overlies both the southeast and northeast quadrants of the City.

Before the adoption of the Pacific Coast Commons Specific Plan (PCCSP) the property was designated as General Commercial and Parking in the General Plan Land Use Element with General Commercial (C-3) and Parking (P) zoning.

Adjacent land uses include the following:

North: The adjacent land uses to the north include: a fast food restaurant, a vacant restaurant and parking lot, and multi-family residential uses. A gas station is located on the northwest corner of Mariposa Avenue and Pacific Coast Highway which is north of the superblock that contains the two existing hotels and south east of the parking lot for the Fairfield Inn and Suites Hotel located along Pacific Coast Highway between Mariposa and Palm Avenues. A fast-food restaurant, Carl's Jr., is located northeast of the same parking lot. Carl's Jr. is located at the southwest corner of Pacific Coast Highway and Palm Avenue.

East: The adjacent land uses to the east across Pacific Coast Highway include: a property with restaurants and office uses, a Ralphs market, two commercial shopping centers with retail and restaurant uses, and a 6- story office building.

South: The adjacent land uses to the south of Holly Avenue include a small commercial shopping center with a drug store, bank, two restaurants and retail store.

West: The adjacent land uses to the west include multi-family residential uses.

III. LAND USE PLAN

The Pacific Coast Commons Specific Plan encompasses 6.38 gross acres of existing developable area that includes the "superblock" bounded by Pacific Coast Highway, Mariposa Avenue, Holly Avenue and Indiana Street and a portion of the block to the north of the "superblock" that has frontage on Pacific Coast Highway, Mariposa Avenue to the south, and Palm Avenue to the north, see Exhibit 5, *Land Use Plan,* and Exhibit 6, *Conceptual Site Plan*. The Pacific Coast Commons Specific Plan ("PCCSP") has 5 land use districts within the plan boundary which is discussed in detail below.

Table III-I provides a Land Use Summary with the square footage of the new development and the existing development. Table III-II provides greater detail of the project development scenario with the uses on each Parcel (per the Vesting Tentative Map), the acreage of the parcel, the building area (gross and net), and the FAR.

The existing Aloft Hotel will remain. Two of the three buildings that comprise the existing Fairfield Inn & Suites Hotel will remain. The 41,660 square-foot, 2-story building at the southwest corner of Pacific Coast Highway and Mariposa Avenue commonly called the "Food and Beverage" building (primarily comprised of conference/meeting rooms and restaurant space) will be demolished and replaced with a parking structure that contains parking primarily for the Fairfield Inn and Suites Hotel and 3,273 gross square feet of new commercial uses at the front of the structure. Access to the parking structure occurs primarily from an existing driveway on Pacific Coast Highway.

The existing parking lot located at the south end of the PCCSP bounded by Holly Street to the south, Indiana Street to the west, Pacific Coast Highway to the east and the Aloft Hotel to the north will be replaced with new development. The new development will be a residential/commercial mixed-use project with a parking structure integrated into the building design. The new building will include 120 residential units (apartments) and 5,756 gross square feet of commercial uses. The parking structure will have access from existing driveways on Pacific Coast Highway and Indiana Street.

The existing northern parking lot that is on the block north of the Fairfield Inn and Suites Hotel with frontage on Pacific Coast Highway, bounded by Mariposa Avenue to the south and Palm Avenue to the north will be replaced with new development. The new residential/commercial mixed-use project will include 137 residential units (apartments) and 2,223 gross square feet of new commercial development. It will have a parking structure integrated into the building design with access to the structure from existing driveways on both Mariposa and Palm Avenues. The north parking lot site will also include 6 townhomes which are located directly west of the Carl's Jr. restaurant and south of Palm Avenue.

A. DEVELOPMENT CONCEPT

The Specific Plan establishes the general type, parameters and character of the development in order to develop an integrated Project area that is also compatible with and complements the surrounding area. The proximity of the Specific Plan Area to other residential and commercial

uses, freeways, major arterials, and the Metro Rail makes it an appropriate and attractive location for a residential/commercial mixed-use development that provides both housing and facilitates economic development in El Segundo.

The Pacific Coast Commons Specific Plan development concept provides a transition from the multi-family neighborhoods to the west and the large-scale commercial uses to the east of Pacific Coast Highway. The Pacific Coast Commons Specific Plan provides for both the maintenance of both the existing Aloft hotel and the Fairfield Inn and Suites hotel within the Specific Plan boundaries with the addition of new mixed-use residential/commercial development to complement the hotel uses and to provide compatible uses to the surrounding neighborhood. The development will include 3 parking structures incorporated into the development to provide both replacement parking for the hotels from the loss of surface parking as well as provide parking for new uses.

On an overall basis, the maximum development potential within the 6.23-acre (post dedications) Specific Plan is based upon an average floor area ratio (FAR) of 2.15. A 2.15 FAR results in a maximum development intensity of 622,398 gross square feet. The 622,398 gross square feet includes 282,398 gross square feet of existing development that will remain and 340,000 gross square feet of new square footage of residential and commercial uses combined. The floor area ratio varies in each of the 5 land use districts that range from a minimum of 0.16 to a maximum of 2.70 based upon how the uses are configured combined with the nonconforming conditions for the two existing hotels (see Table III-III).

Residential uses are proposed in 2 of the 5 land use districts, namely the PCC Mixed-Use 1 (PCC MU-1) district at the southern end of the Specific Plan area and the PCC Mixed-Use 2 (PCC MU-2) district at the northern end of the Specific Plan area. There are 120 dwelling units (apartments) in the PCC MU-1 land use district and 143 dwelling units in the PCC MU-2 land use district comprised of 137 apartments and 6 townhomes. The density in the PCC MU-1 land use district is approximately 97 dwelling units to the acre (96.67 dwelling units to the acre based upon 54,072 square feet of land area) and the density in the PCC MU-2 land use district is approximately 80 units to the acre (79.17 dwelling units to the acre based upon 78,686 square feet of land area). The average density of the two land use districts combined is 86.31 units to the acre and the average density within the entire Specific Plan area is 42.22 units to the acre. If the land area of either PCC Mixed-Use 1 or PCC Mixed-Use 2 is reduced, the number of dwelling units to the acre would increase accordingly.

The Pacific Coast Commons Specific Plan allows affordable housing and provides reduced requirements for parking in the Development Standards Chapter of this Specific Plan. The 263 residential units permitted in this Specific Plan including affordable housing units will contribute significantly to the City's housing allocation requirements specified in the Regional Housing Needs Assessment (RHNA) established by State law.

B. LAND USE PLAN

The Pacific Coast Commons Specific Plan is based upon the following land uses (refer to Exhibit 5, *Land Use Plan*):

1. PCC Mixed-Use 1 (PCC MU-1)

The PCC Mixed-Use 1 (PCC MU-1) land use designation is located on the southernmost parcel with frontage on Pacific Coast Highway, Holly Avenue and Indiana Street, totaling 1.242 net acres (the developable portion of the proposed parcel after dedication of right-of-way). It is both a corner parcel and a through lot. The PCC MU-1 area allows for multiple-family residential uses (apartments) and several commercial uses. The specific residential and commercial uses are limited in this land use category as specified in the Specific Plan's development regulations. The parcel that contains the PCC Mixed-Use 1 (PCC MU-1) land use district currently contains the parking lot for the Aloft hotel that is located on the adjacent parcel, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

2. PCC Commercial-1 (PCC COM-1)

The Commercial-1 (COM-1) land use designation is located on the parcel to the north of the PCC Mixed-Use 1 (PCC MU-1) land use designation with frontage on both Pacific Coast Highway and Indiana Street (it is a through lot). The PCC Commercial-1 (PCC COM-1) land use category totals 0.905 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-1 (PCC COM-1) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The specific commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Aloft Hotel which will remain, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

3. PCC Commercial-2 (PCC COM-2)

The PCC Commercial-2 (PCC COM-2) land use designation is located on the parcel to the north of the PCC Commercial-1 (PCC COM-1) land use designation with frontage on both Pacific Coast Highway and Indiana Street (it is a through lot). The PCC Commercial-2 (PCC COM-2) land use category totals 1.549 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-2 (PCC COM-2) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The permitted commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Fairfield Inn and Suites hotel (3 buildings) which will remain, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*. One of the three existing buildings known as the "Food and Beverage" building which is partially located in the PCC COM-2 land use district and partially located in the PCC COM-3 land use district will be demolished.

4. PCC Commercial-3 (PCC COM-3)

The PCC Commercial-3 (PCC COM-3) land use designation is located on the parcel to the

north of the PCC Commercial-2 (PCC COM-2) land use designation with frontage on Pacific Coast Highway, Mariposa Avenue, and Indiana Street (it is a through lot). The PCC Commercial-3 (PCC COM-3) land use category totals 0.728 net acres (the developable portion of the proposed parcel after dedication of right-of-way). The PCC Commercial-3 (PCC COM-3) area allows hotels and several other commercial uses that are either accessory to hotel uses or complementary uses. The specific commercial uses in this land use category are specified in the Specific Plan's development regulations. The parcel currently contains the existing Fairfield Inn and Suites hotel food and beverage building that will be demolished and replaced with other commercial uses and a parking structure, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*.

5. PCC Mixed-Use 2 (PCC MU-2)

The PCC Mixed-Use 2 (PCC MU-2) land use designation is located on the northernmost parcel with frontage on Pacific Coast Highway, Mariposa Avenue and Palm Avenue, totaling 1.806 net acres (the developable portion of the proposed parcels after dedication of right-of-way). The PCC MU-2 area allows for multiple-family residential (apartments and condominiums) and several commercial uses. The specific residential and commercial uses are limited in this land use category as specified in the Specific Plan's development regulations. The parcel currently contains a parking lot that provides parking for the Fairfield Inn and Suites. The parking lot will be demolished and replaced with multiple-family residential uses (a mix of apartments and townhomes) and commercial uses, as shown in the conceptual site plan in Exhibit 6, *Conceptual Site Plan*. The PCC Mixed-Use 2 (PCC MU-2) land use district is proposed to be comprised of 2 parcels as shown in the Vesting Tentative Map with one parcel containing 137 multiple family residential units (apartments) and commercial uses. The other parcel contains 6 townhomes (condominium units).

Table III-1, *Land Use Summary-Project Development Scenario*, and Table III-II, *Land Uses-Project Development Scenario,* show the anticipated project development scenario for the implementation of the uses and standards of this Specific Plan based upon the Conceptual Site Plan shown in Exhibit 6, *Conceptual Site Plan* and the Vesting Tentative Map shown in Exhibit 7A, *Vesting Tentative Map No. 82806*. An additional exhibit is provided for greater clarity of existing and proposed lot configuration conditions which is also provided in Exhibit 7B, *Existing and Proposed Lot Configuration Diagram.* Table III-III, *Land Use Summary-Specific Plan Scenario* shows the maximum allowable floor area for each of the 5 land use districts.

Table III-1
Land Use Summary – Project Development Scenario

Land Use	Building Area (Net) (square feet)	Building Area (Gross) (square feet)
New Development		
Multi-family Residential (Apartments) (120 dwelling units in the PCC MU-1 District)	136,571	140,794
Multi-family Residential (Apartments) (137 dwelling units in the PCC MU-2 District)	159,062	163,472
Multi-family Residential (Townhomes /Condominiums) (6 dwelling units in the PCC MU-2 District)	9,540	10,344
Commercial uses (PCC MU-1 District)	5,583	5,756
Commercial uses (PCC COM-3 District)	4,345	4,479
Commercial uses (PCC MU-2 District)	2,156	2,223
Subtotal New Development	***317,257***	***327,068***
Existing Development		
Hotel (Aloft)	98,741	106,747
Hotel (Fairfield Inn and Suites)	190,026	217,311
Subtotal Existing Development	***288,767***	***324,058***
Existing Development To Be Demolished (Fairfield Inn and Suites "Food and Beverage" Building)	***- 36,605***	***- 41,660***
Subtotal Existing Development After Demolition of "Food and Beverage" Building	***252,162***	***282,398***
Total Site Development	**569,419**	**609,466**

Table III-II
Land Uses – Project Development Scenario

Subdivision Parcel	Use	Acreage[3]	Building Area (Net)	Building Area (Gross)[4]	FAR[5]
PCC Mixed-Use 1 (PCC MU-1))					
1	Multiple-family Residential (120 apartments)		136,571	140,794	-
1	Commercial Uses		5,583	5,756	-
1	Parking Structure		-	-	-
Subtotal		**1.242 (54,072 square feet)**	**142,154**	***146,550***	***2.63***
PCC Commercial-1 (PCC COM-1)					
2	Commercial – Existing Hotel (Aloft)		98,741	106,747	-
Subtotal		**0.905 (39,425 square feet)**	**98,741**	***106,747***	***2.51***
PCC Commercial-2 (PCC COM-2))					
3	Commercial-Existing Hotel (Fairfield Inn and Suites)		190,026	217,311	-
4	Existing Hotel (Fairfield Inn & Suites - Food & Beverage Building)		-36,605	-41,660	-
Subtotal		**1.549 (67,487 square feet)**	**153,421**	***175,651***	***2.28***
PCC Commercial-3 (PCC COM-3)					
4	Commercial Uses		3,175	3,273	-
4	Parking structure/ lobby		1,170	1,206	-
Subtotal		**0.728 (31,693 square feet)**	**4,345**	***4,479***	***0.14***
PCC Mixed-Use 2 (PCC MU-2)					
5	Multiple-family Residential (137 apartments)		159,062	163,472	-
5	Commercial Uses		2,156	2,223	-
5	Parking Structure		-	-	-
6	Multiple-family Residential (6 townhomes)		9,540	10,344	-
Subtotal		**1.806 (78,686 square feet)**	**170,758**	***176,039***	***2.24***
TOTAL DEVELOPMENT		**6.23 (271,363 square feet)**	**569,419**	**609,466**	**2.15**

[3] Acreage is based upon net acreage post dedications.
[4] Total allowable intensity per the Specific Plan is capped at 622,398 gross square feet (both existing and new development combined).
[5] FAR calculation is based upon net floor area and developable lot area. See Chapter VI for definitions of gross and net floor area.

Table III-III
Land Use Summary – Specific Plan Scenario

Land Use District	Building Area (Net) (square feet)	Building Area (Gross) (square feet)	Floor Area Ratio (FAR)
PCC Mixed-Use-1 (PCC MU-1)	145,500	150,000	2.70
PCC Commercial-1 (PCC COM-1)	98,741	106,747	2.51
PCC Commercial-2 (PCC COM-2)	153,421	175,651	2.28
PCC Commercial-3 (PCC COM-3)	4,850	5,000	0.16
PCC Mixed-Use-2 (PCC MU-2)	179,450	185,000	2.29
Total Development (New + Existing)	**581,962**	**622,398**	**2.15**

EXHIBIT 5
LAND USE PLAN

EXHIBIT 6
CONCEPTUAL SITE PLAN

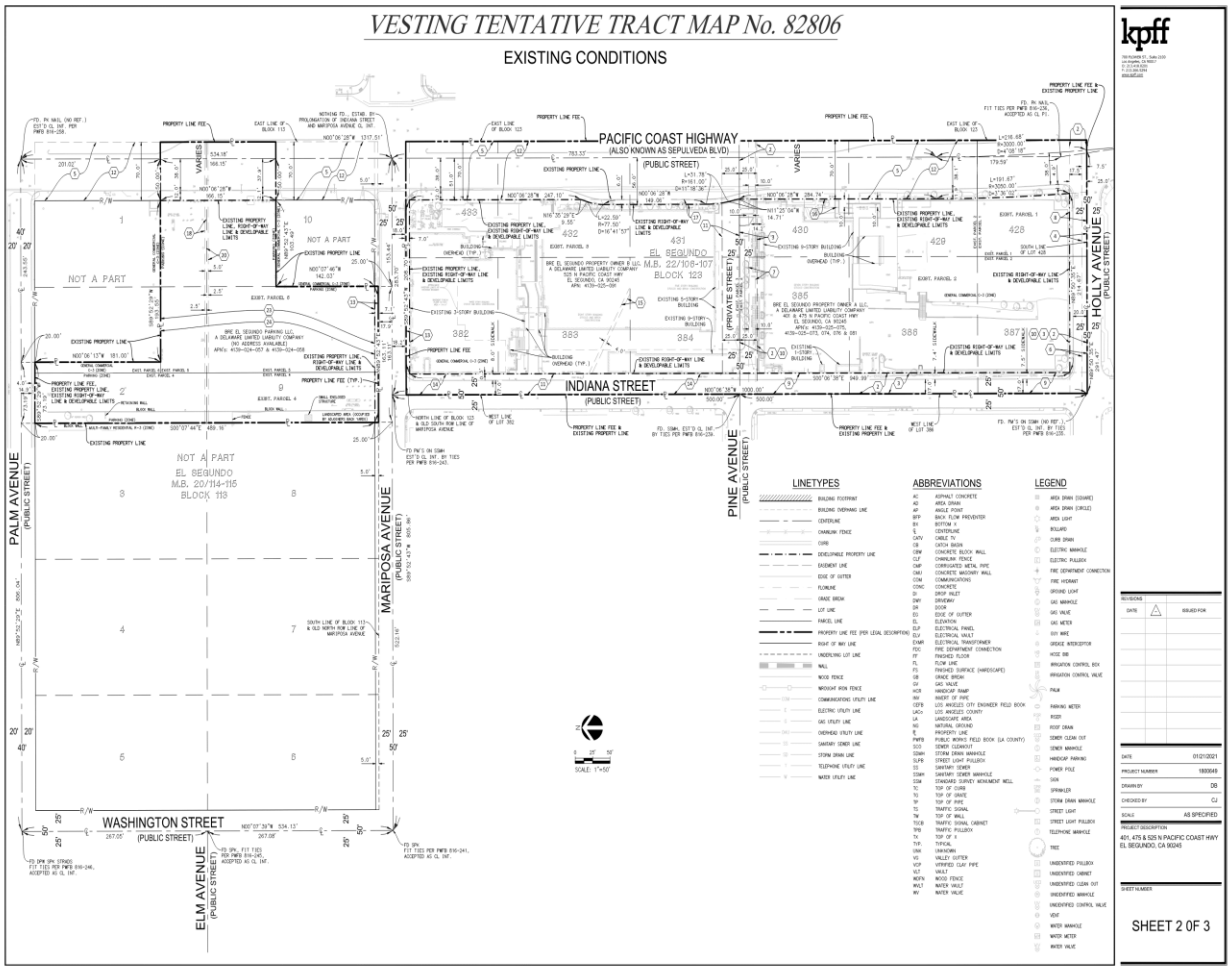

EXHIBIT 7A
VESTING TENTATIVE MAP # 82806
(EXISTING CONDITIONS)

(Source: KPFF)

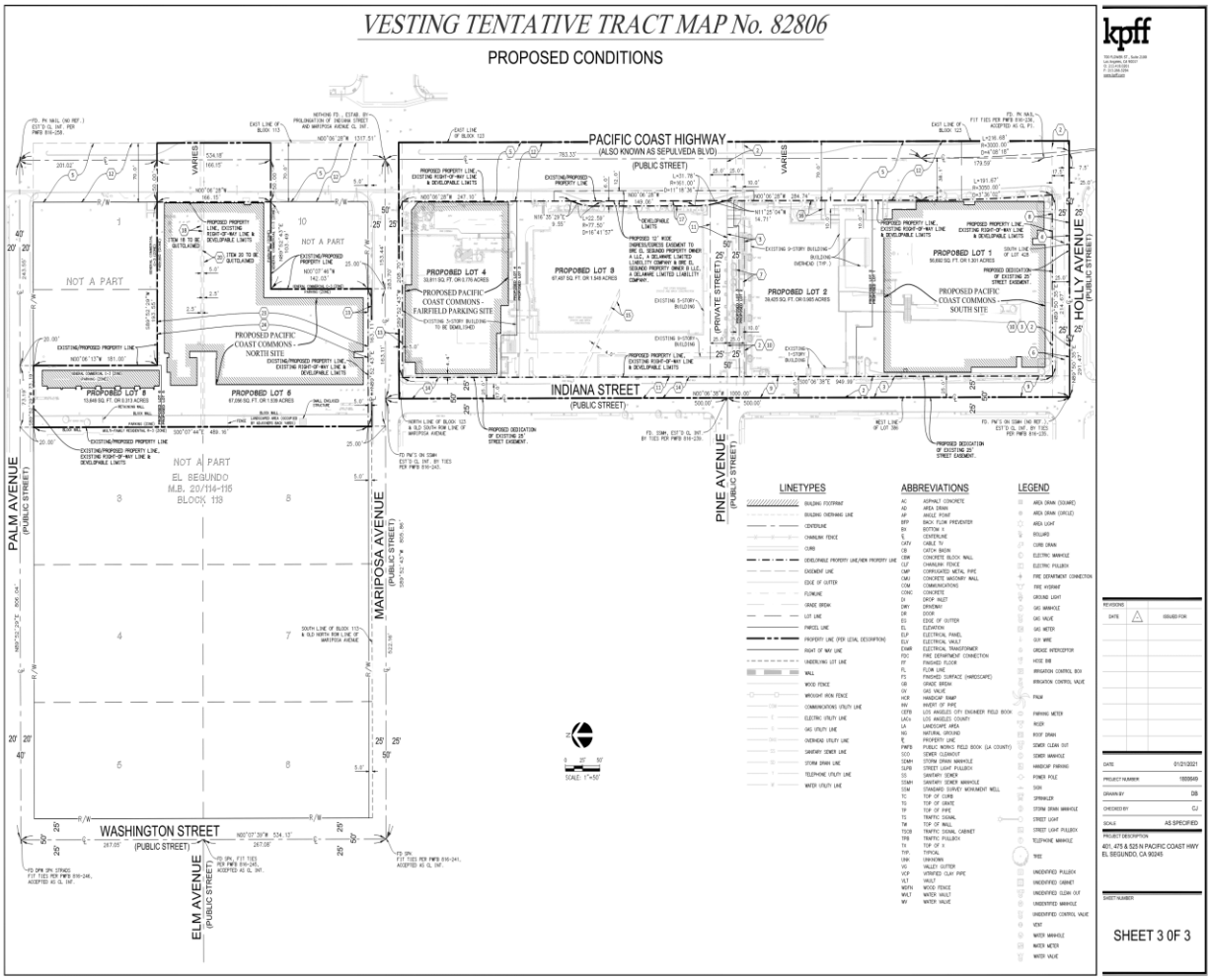

EXHIBIT 7A
VESTING TENTATIVE MAP # 82806
(PROPOSED CONDITIONS)

(Source: KPFF)

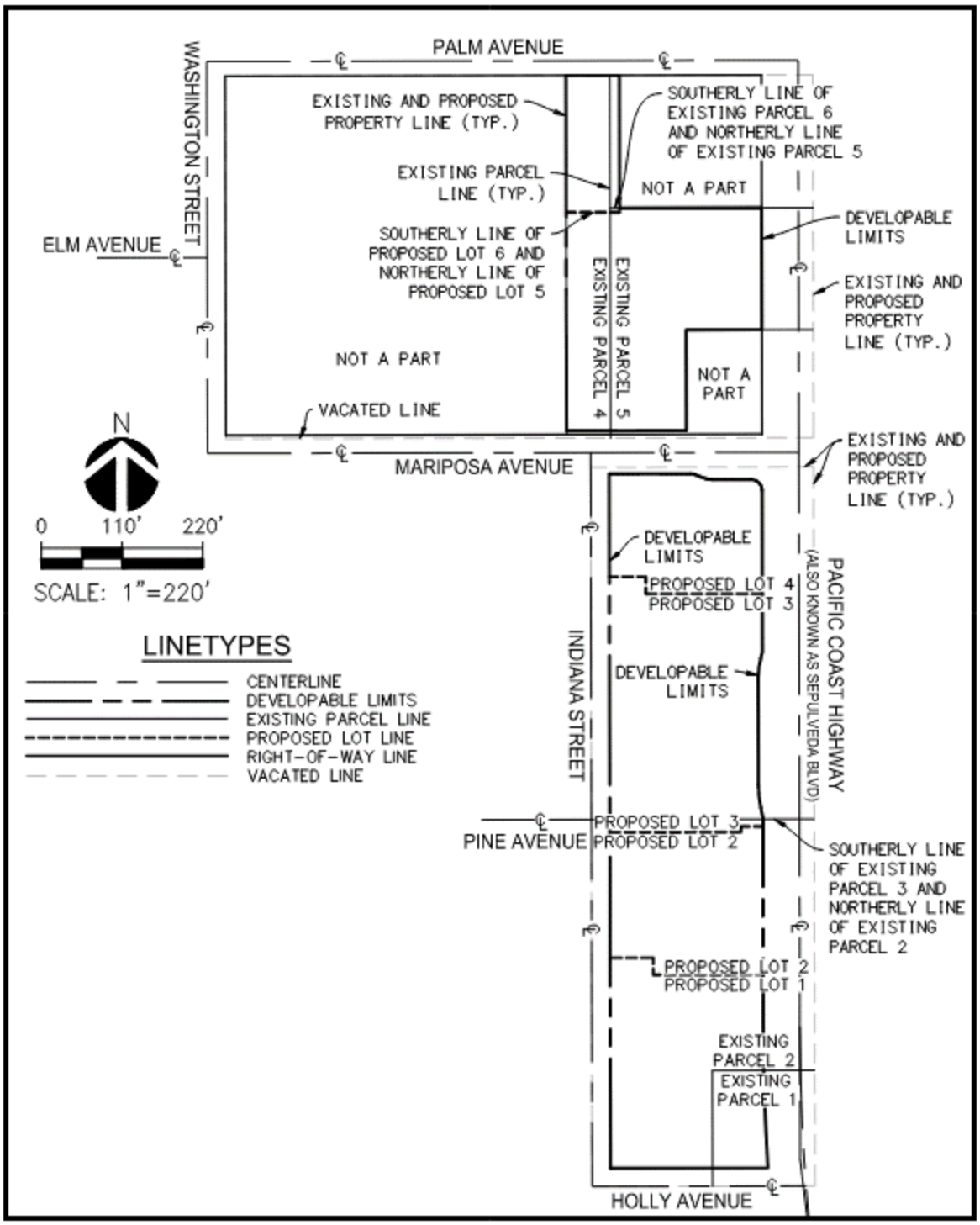

EXHIBIT 7B
EXISTING AND PROPOSED FINAL LOT CONFIGURATION DIAGRAM
(Source: KPFF)

C. PHASING

Construction of the new development areas would occur in three phases. The first phase of construction would occur in the PCC Commercial-3 (PCC COM-3) land use district at the Fairfield Parking Site/Area 4. The second phase of construction would consist of the South Site/Area 1 development in the PCC Mixed-Use 1 (PCC MU-1) land use district. The third phase of construction would consist of the North Site/Area 5 development in the PCC Mixed-Use 2 (PCC MU-2) land use district. It is currently anticipated that these phases will occur sequentially and if so, are anticipated to be completed within 4 1/2 years of EIR certification and project approval. However, if the second and third phases of development occur concurrently, construction is anticipated to be completed within 2 years and 8 months of EIR certification and project approval.

D. CIRCULATION PLAN

Regionally, the Specific Plan site is accessible from the San Diego freeway (405), Century Freeway (105), the Metro Green Line, multiple bus lines, and the major arterial Pacific Coast Highway. No public rights-of-way are proposed within the boundaries of the Specific Plan. However, the Specific Plan site has several vehicular access points off four of the streets surrounding the Specific Plan area including Pacific Coast Highway, Mariposa Avenue, Indiana Street and Palm Avenue. The development of the Specific Plan will facilitate on-site circulation and parking. Access will be provided for emergency vehicles to Area 5 in the PCC Mixed-Use 2 (PCC MU-2) land use district via the two vehicle access points to the fire lane from Mariposa and Palm Avenues. Development within the Specific Plan site will provide infrastructure and facilitate access for various modes of travel including automobiles, bicycles, and pedestrians. Pedestrian and handicap access will be provided between buildings and to public sidewalks on the five street frontages along the site.

VEHICULAR CIRCULATION

The proposed street dedications and street dedication waivers discussed in the sections below are depicted in Exhibit 7C, *Conceptual Street Dedication Plan.*

Pacific Coast Highway. Pacific Coast Highway is an existing public major arterial street that abuts the property on its eastern edge. No additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. No additional curb cuts besides the three existing curb cuts that provide access and circulation to the two existing hotels may be allowed along Pacific Coast Highway in the Specific Plan area. The two existing driveways that access the north parking lot at 629 North Pacific Coast Highway will be removed.

Mariposa Avenue. Mariposa Avenue is an existing public 2-lane collector street that abuts the property between the northern and southern blocks of the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. A waiver request was granted for a portion of the street dedication requirements on the south side of Mariposa Avenue. No additional curb cuts besides the one existing curb cut on the north side of the street (which also serves as a fire lane) may be allowed along the north side of

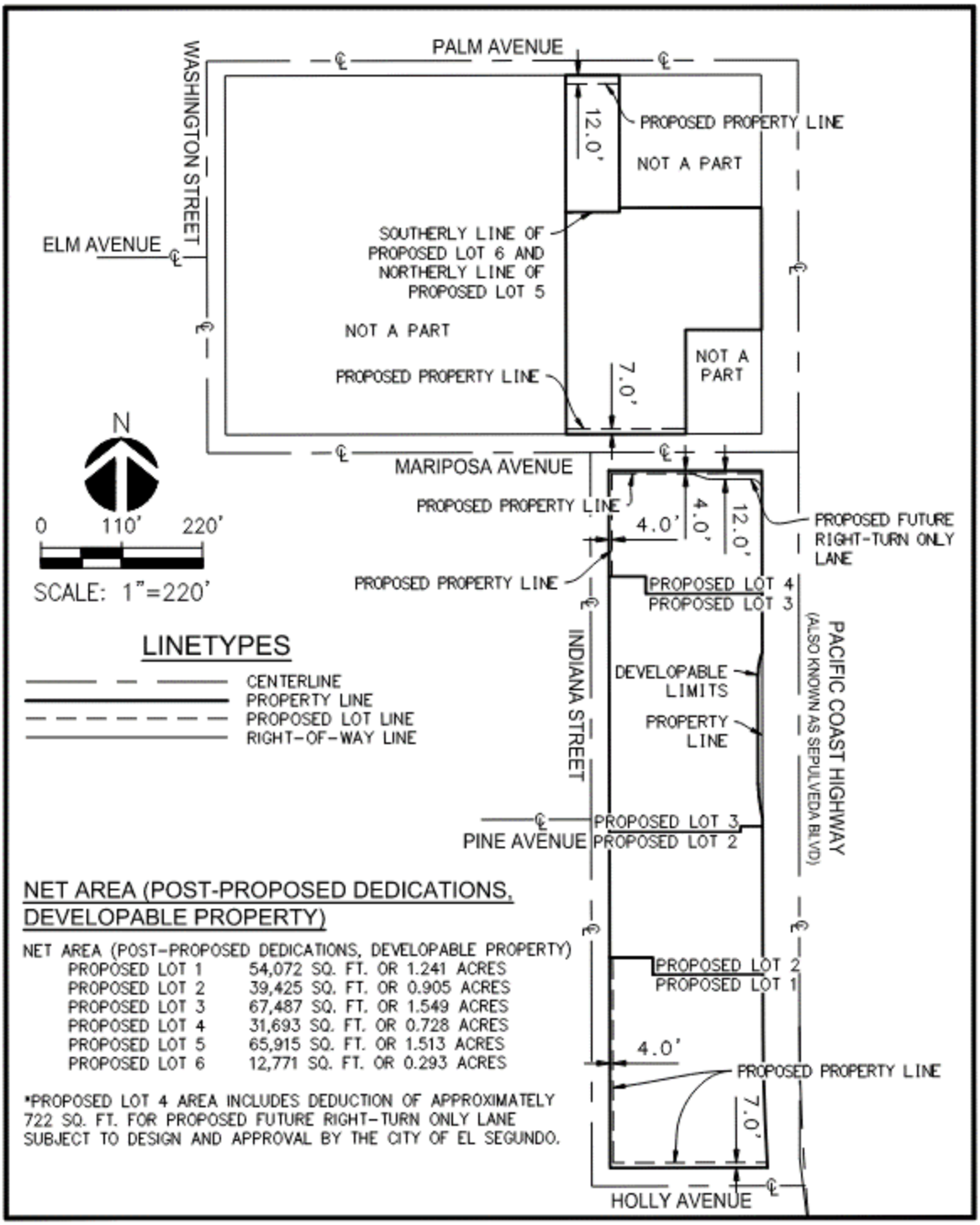

EXHIBIT 7C
CONCEPTUAL STREET DEDICATION PLAN
(Source: KPFF)

Mariposa Avenue in the Specific Plan area. No curb cuts may be allowed along the south side of Mariposa Avenue within the Specific Plan area.

Palm Avenue. Palm Avenue is an existing public local commercial/residential street that abuts the property on its northern edge. Palm Avenue has been classified as a local commercial street for the frontage of the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. No additional curb cuts besides the one existing curb cut (which also serves as a fire lane) may be allowed along Palm Avenue within the Specific Plan area. Street dedication to expand the width of the public right-of-way will be provided.

Holly Avenue. Holly Avenue is an existing public local commercial/residential street that abuts the property on its southern edge. Holly Avenue is classified as a local commercial street for the block fronting the Specific Plan area. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. There are no existing curb cuts along this block of Holly Avenue. No curb cuts may be allowed along Holly Avenue in the Specific Plan area. Street dedication to expand the width of the public right-of-way will be provided.

Indiana Street. Indiana Street is an existing public local commercial/residential street that abuts the property on its western edge. Some additional right-of-way improvements are required as a result of the development allowed in the Specific Plan. The project includes dedication of 25 feet of existing roadway and sidewalk (to the centerline of the street) to the City of El Segundo. Currently, the roadway and sidewalk are privately owned and the City of El Segundo only has easement rights. An additional dedication of 4 feet will be provided on the east side of the street along the frontage of Proposed Lots 1 and 4 only. A waiver request was granted for a 3-foot portion of the street dedication requirements to expand the right-of-way on the east side of the street for the portions of the block where new development is proposed in the PCC COM-3 and a the PCC MU-1 land use districts (along the frontage of proposed Lots 1 and 4). Additionally, a waiver request was granted for a 7-foot portion of the street dedication requirements to expand the right-of-way on the east side of the street for the portion of the block where existing development is located in the PCC COM-1 and PCC COM-2 land use districts (along the frontage of proposed Lots 2 and 3). No additional curb cuts besides the three existing curb cuts may be allowed along Indiana Street.

Public Transit

Public transit includes the Metro C Line and multiple bus lines that operate in the vicinity of the Specific Plan. The Metro C line is a light rail line running between Redondo Beach and Norwalk. The line runs north/south east of the project site along Nash Street with the closest station at Nash Street and Mariposa Avenue. The Mariposa C Line station is approximately ½ mile away from the project site.

There are two Metro bus lines, one Beach Cities bus line, and two LADOT Commuter Express lines that run in the vicinity of the Specific Plan. Metro Line 232 provides local service between the City of El Segundo and downtown Long Beach and runs along Pacific Coast Highway. LADOT Commuter Express 574 provides express service on weekdays from Encino to the City

of Hawthorne along Pacific Coast Highway and then heads east along El Segundo Boulevard south of the project site. Beach Cities Line 109 provides local service between the City of Redondo Beach and Los Angeles International Airport and runs along Pacific Coast Highway south of Grand Avenue (one block south of the Specific Plan area) and turns onto Grand Avenue to Downtown El Segundo to Main Street and north to Imperial Highway. Metro Line 625 provides local service between the City of El Segundo and Los Angeles International Airport and it runs along Imperial Highway north of the Specific Plan area. LADOT Commuter Express 438 provides express service on weekdays from El Segundo to the Downtown Los Angeles Financial District along Imperial Highway north of the project site. LADOT Commuter Express 439 provides express service on weekdays from El Segundo to Downtown Los Angeles along Douglas Street and Imperial Highway to the east of the site.

NON-VEHICULAR CIRCULATION

Walkways will be provided connecting the buildings, uses (hotels, residential and commercial uses), parking structures and surfaces areas, and the public sidewalks on the five (5) surrounding streets (Pacific Coast Highway, Mariposa Avenue, Palm Avenue, Holly Avenue and Indiana Street). Marked crosswalks are provided at all major arterial intersections.

The City of El Segundo adopted the South Bay Bicycle Plan and it has implemented some of the bicycle improvements in the proposed Bicycle Plan network including 4.9 miles of Class III Bike Routes (where vehicles and bicycles share travel lanes) on several City streets. The Bike Routes that are closest to the Specific Plan area are on Grand Avenue from Loma Vista Street to Duley Road and on Nash Street from Imperial Highway to El Segundo Boulevard. The Bicycle Master Plan includes Class I Bike Paths, Class II Bike Lanes, Class III Bike Routes and Bike-Friendly streets. The nearest proposed facilities are a Class II Bike Lane running east-west on Mariposa Avenue and a Class I Bike Path on Washington Street one block west of the Specific Plan boundary.

Bicycle parking facilities in accordance with Municipal Code and California Green Building Code requirements will be provided in multiple locations in the parking structures and surface parking areas in the Specific Plan.

E. GRADING CONCEPT

Some rough grading will be required at the South Site located in the PCC Mixed-Use 1 (PCC MU-1) land use district, the Fairfield Parking Site located in the PCC Commercial-3 (PCC COM-3) land use district, and the North Site located in the PCC Mixed-Use 2 (PCC MU-2) land use district. No grading will be required for the areas where the existing hotel buildings will remain.

Site grading will require a combination of cut and fill to create a building/parking structure pad and to accommodate one level of subterranean parking and retaining walls on the South Site as a result of the existing sloped topography. The property slopes down from Pacific Coast Highway to Indiana Street and slopes down toward Holly Avenue as well with the lowest point at the intersection of Indiana Street and Holly Avenue. The grading is estimated to result in approximately 27,700 cubic yards of cut and fill resulting in 17,700 cubic yards of soil export.

The Fairfield Parking Site and the North Site are relatively flat. The Fairfield Parking site is estimated to require 6,000 cubic yards of cut and fill for site rebalancing that will result in 0 cubic yards of export. The North Site is estimated to require 15,000 cubic yards of cut and fill for site rebalancing resulting in 0 cubic yards of soil export. Final grading plans will be approved by the City Engineer before the City issues grading permits.

IV. UTILITIES AND INFRASTRUCTURE

The following is a summary of existing and proposed public infrastructure for development of the Specific Plan area. All infrastructure will be constructed in accordance with the standards of the governing agency.

A. WATER SERVICE

EXISTING CONDITION

Water utility service is provided by the City of El Segundo and is currently available within the Specific Plan area and serves the two existing hotels. Water is purchased through West Basin Municipal Water District which is a member of The Metropolitan Water District of Southern California.

There is an existing City of El Segundo 10-inch asbestos-cement water line located 11 feet west of the centerline of Indiana Street. This water line is scheduled to be replaced with a new 10-inch ductile iron water main in FY 2020-2021. There are also two existing water lines in Pacific Coast Highway. One is a City of El Segundo 10-inch ductile iron pipe located 32-feet west of the street centerline. The other is a 10-inch pipe located 33-feet east of the street centerline. In Palm Avenue north of the Specific Plan area, there is a City of El Segundo 10-inch asbestos-cement pipe located 6 feet north of the street centerline. In Holly Street south of the Specific Plan area, there is a City of El Segundo 10-inch asbestos-cement pipe located 13 feet south of the street centerline. There is also an existing City of El Segundo 10-inch ductile iron water line in Mariposa Avenue, located 6-feet south of the street centerline (refer to Exhibits 8A, 8B and 8C, *Conceptual Water Plan South Site, Conceptual Water Plan Fairfield Parking Site, and Conceptual Water Plan North Site respectively*).

Water for fire suppression is provided by on-site building sprinklers and from 7 off-site fire hydrants. Existing fire hydrants owned by the City of El Segundo are located along Pacific Coast Highway, Holly Avenue, and Indiana Street.

PROPOSED CONDITION

The water service connection for domestic water and fire protection shall be made to one or more of the existing City of El Segundo water lines. The specific location of these connections and pipe sizing will be based upon the City of El Segundo's approval. The system shall provide adequate water supply for operation of the building's domestic requirements, automatic sprinkler systems and on-site fire hydrants (if required by the State or City Fire Marshal). A Conceptual Water Utility Plan has been developed for the Specific Plan Area (refer to Exhibits 8A, 8B and 8C, *Conceptual Water Plan South Site, Conceptual Water Plan Fairfield Parking Site, and Conceptual Water Plan North Site respectively*).

Fire flows for the proposed development will be based on the requirements listed in that version of the California Fire Code that is in effect at the time of plan submission, as amended by the City.

Demands for domestic water in the proposed condition were calculated with the assumption that they will be 120% of the sewer demand rates. s

Based on the requirements outlined by the El Segundo Fire Department in Regulation H-2-a for Fire Hydrant and Private Fire Main System Installation, 2 additional fire hydrants may need to be installed in order to provide coverage for portions of the proposed buildings that are in excess of 150-feet from a public fire hydrant. Coordination with the El Segundo Fire Department Fire Prevention Division is required to determine whether the additional fire hydrants will be located in the public street and/or within the development.

The minimum number of fire hydrants required was calculated using Table C102.1 from the California Fire Code. The spacing between fire hydrants for all three sites will be 300-feet for public fire hydrants, as stated in the City of El Segundo Fire Prevention Division "Regulation H-2-a Fire Hydrant and Private Fire Main System Installation" document (see Table IV-2 below for the hydrant and number spacing requirements).

Table IV-2. Required Number and Spacing of Fire Hydrants.

	Minimum Number of Hydrants	Spacing Between Hydrants
North Site	3	
Fairfield Parking	1	300 ft (typ.)
South Site	3	

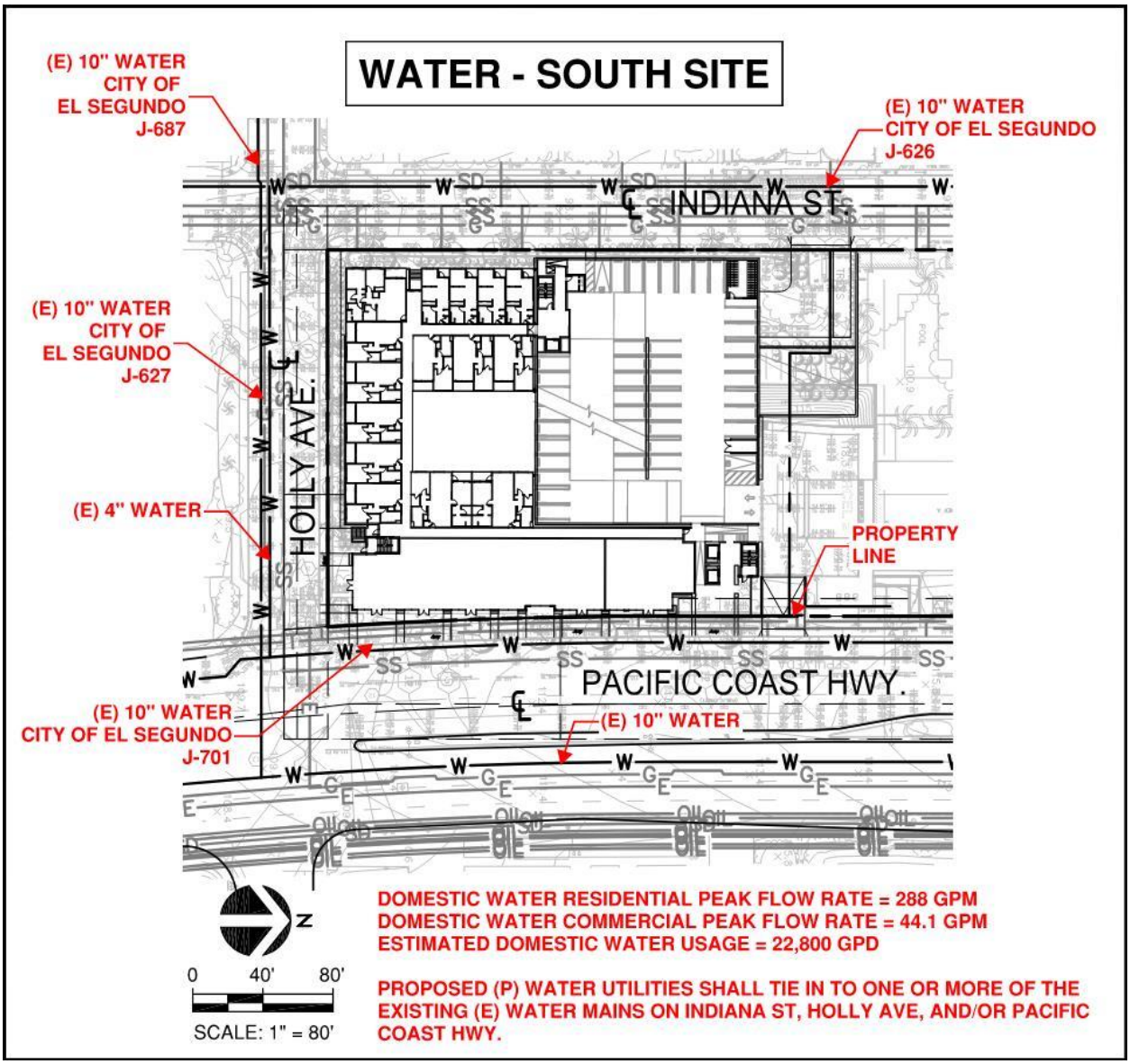

EXHIBIT 8A
CONCEPTUAL WATER PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

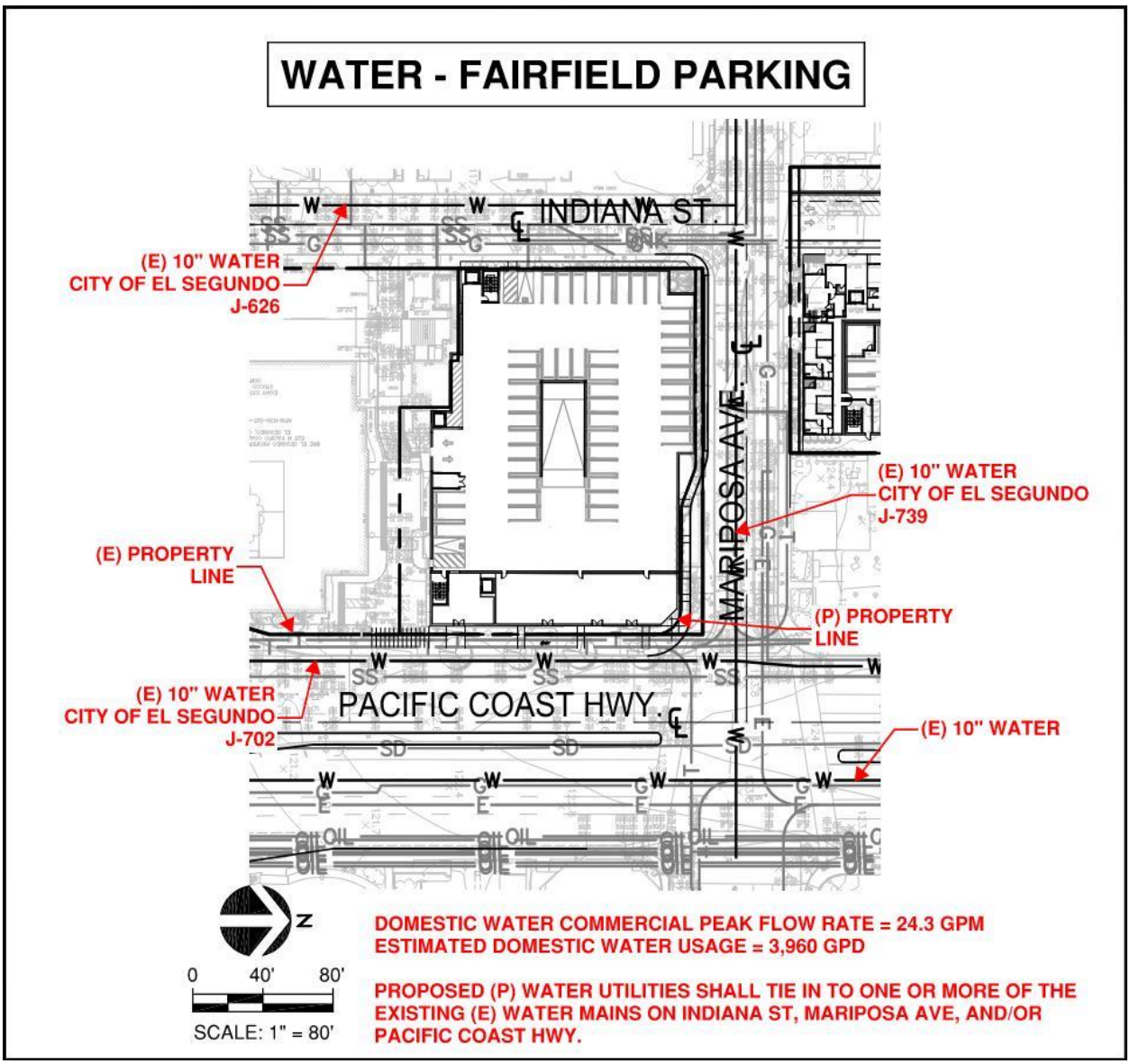

EXHIBIT 8B
CONCEPTUAL WATER PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

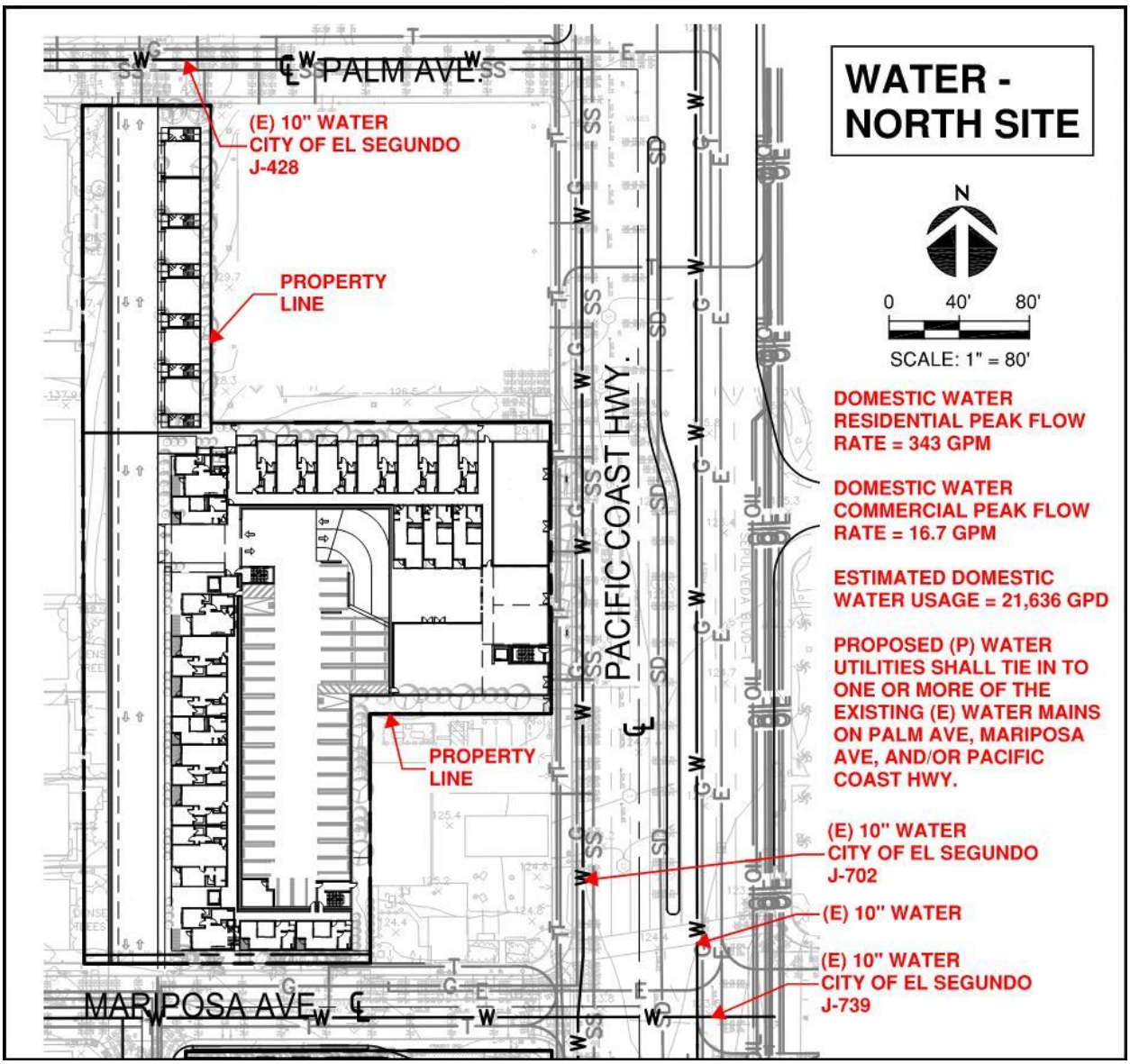

EXHIBIT 8C
CONCEPTUAL WATER PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT

(Source: KPFF)

B. RECLAIMED WATER

EXISTING CONDITION

Reclaimed water utility service is provided by the West Basin Municipal Water District from a treatment plant on Hughes Way. There are no existing reclaimed water mains in the streets adjacent to the project. According to West Basin Municipal Water District record drawings, the closest reclaimed water main is located in Washington Avenue adjacent to Washington Park at the intersection with Elm Street, approximately 500-feet from the intersection of Palm Avenue and Indiana Street.

PROPOSED CONDITION

Future reclaimed water service is anticipated to be provided through the existing point of connection on Washington Avenue. Should West Basin Municipal Water District extend the reclaimed water lines adjacent to the Specific Plan area in the future, exact points of connection will be based on West Basin Municipal Water District's and the City of El Segundo's input. Reclaimed water service may not be available at the time of project completion.

C. SEWER SERVICE

EXISTING CONDITION

All existing sanitary sewer lines in the streets surrounding the project site are owned by the City of El Segundo. Sewer utility service is provided by the City of El Segundo and the Los Angeles County Sanitation District and is currently available within the site.

An 8-inch vitrified clay pipe (VCP) gravity line is located west of the site under the centerline of Indiana Street, with a depth varying from 2-feet to 9-feet below grade to the pipe invert. The sewer begins at a manhole located approximately 98-feet south of Mariposa Avenue, before sloping south where it connects to two 12-inch sewer lines—one on Holly Avenue and one that continues south on Indiana Street. In Indiana Street, there is also a 10-inch ductile iron pressure sewer located 6-ft east of the street centerline.

In Pacific Coast Highway, there is an existing 12-inch VCP gravity line located 26-feet west of the street centerline. The pipe slopes from north to south and varies in depth from 6-feet to 18-feet. At the intersection with Holly Avenue, the pipe connects to a 12-inch sewer running west on Holly Avenue.

An existing 8-inch VCP gravity line is located under the street centerline of Palm Avenue. This sewer has a high point elevation at a manhole located approximately 390-feet west of Pacific Coast Highway. The pipe slopes to drain out to both mainlines on both sides of the manhole. On the east end, it connects to the 12-inch sewer located in Pacific Coast Highway.

There are two existing sewer lines on Mariposa Avenue, west of Indiana Street. One is an 8-inch VCP gravity line located on the street centerline. It slopes from east to west and connects to an 8-

inch sewer line on Illinois Court. The other sewer line on Mariposa Avenue is a 10-inch pressure sewer located 5 feet north of the street centerline. A sewer study has been conducted that determined the existing sewer system has sufficient capacity to accommodate the additional flow that will be generated by the new development.

PROPOSED CONDITION

New sewer laterals are proposed for all the new buildings. It is anticipated that the new sewer laterals will connect to several of the existing gravity lines surrounding the project. The proposed project does not currently impact the existing pressure lines. The sewer laterals will be designed to slope at a minimum of 2% and maintain a minimum scouring velocity of 2-feet/second. Points of connection will be based on the City of El Segundo's input and will require a Sewer Connection Permit from the City of El Segundo. A conceptual sewer plan has been developed for the Specific Plan area (refer to Exhibits 9A, 9B and 9C, *Conceptual Sewer Plan South Site, Conceptual Sewer Plan Fairfield Parking Site, and Conceptual Sewer Plan North Site respectively*).

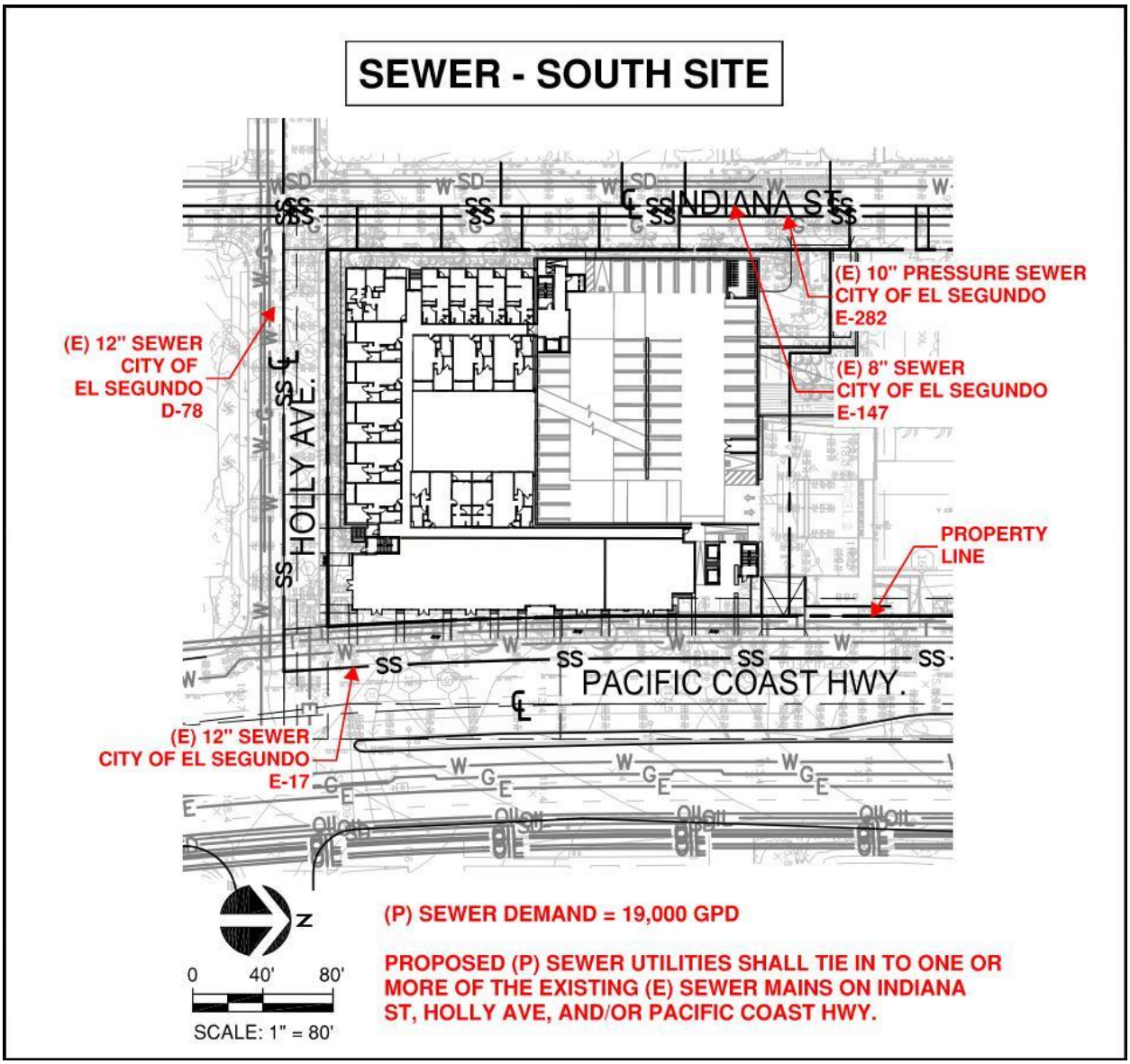

EXHIBIT 9A
CONCEPTUAL SEWER PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

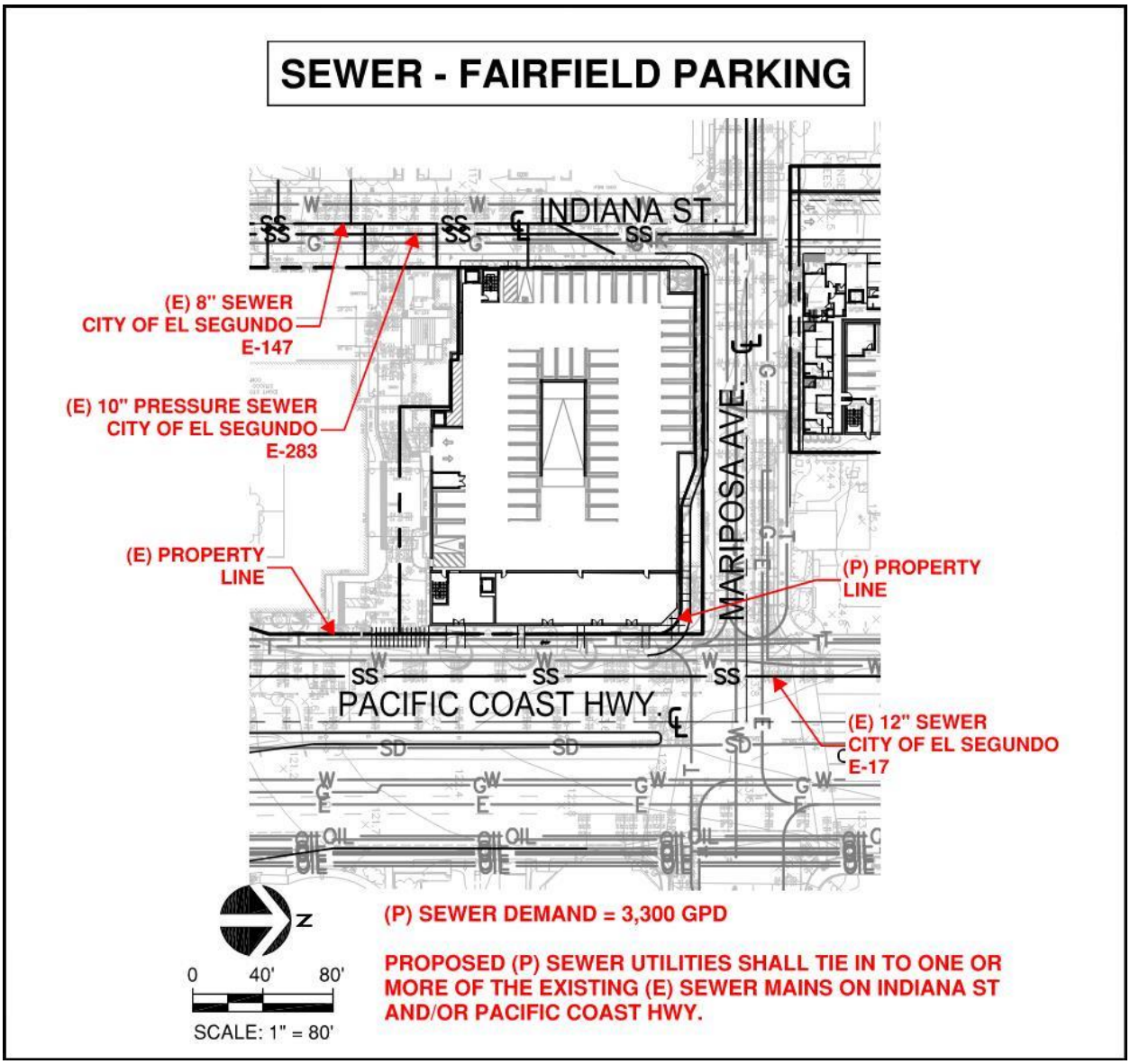

EXHIBIT 9B
CONCEPTUAL SEWER PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

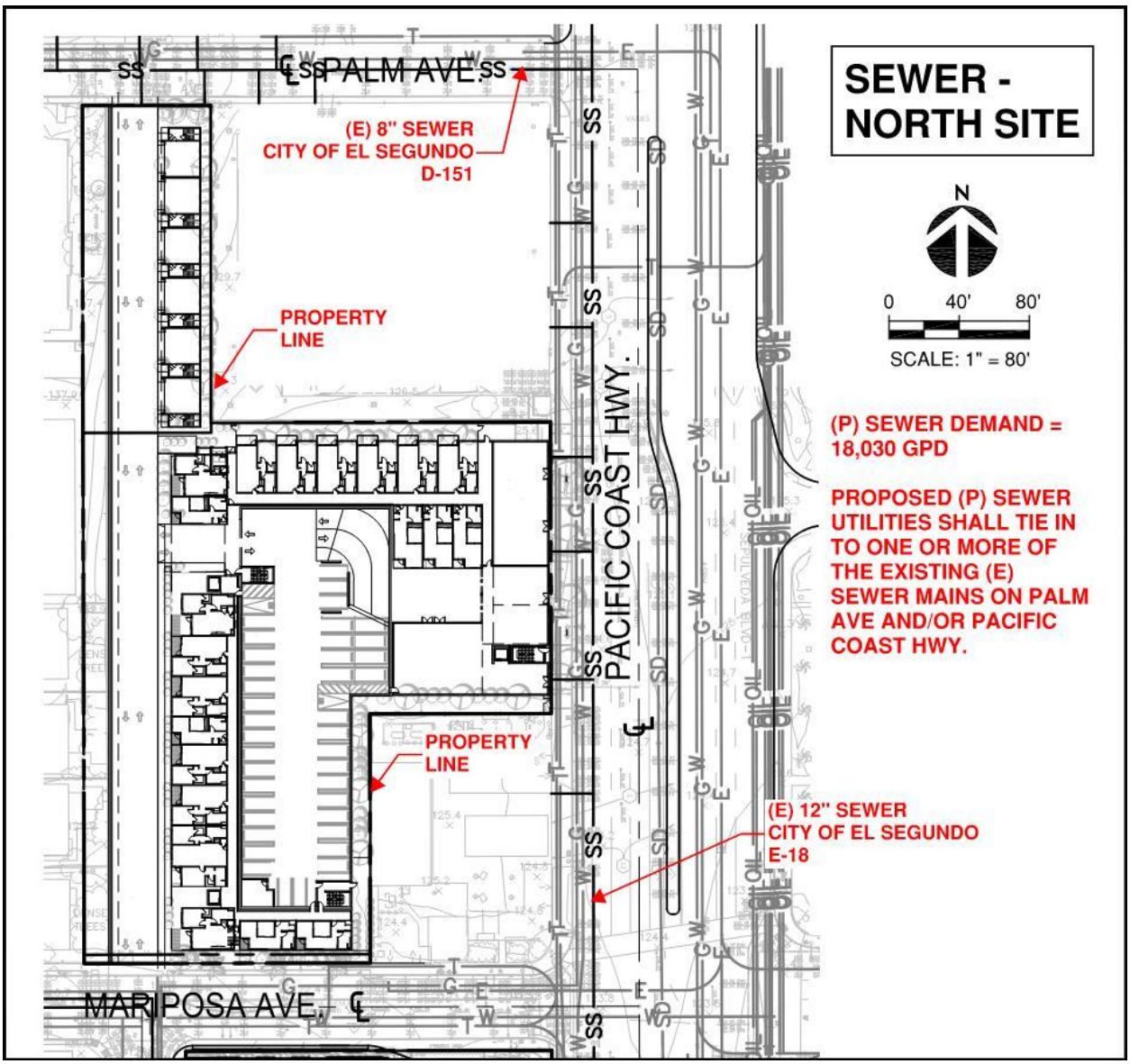

EXHIBIT 9C
CONCEPTUAL SEWER PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT

(Source: KPFF)

D. DRAINAGE

EXISTING CONDITION

There are two existing storm drains near this project that are owned by Caltrans and the City of El Segundo.

The existing Caltrans storm drain is located below Pacific Coast Highway. The storm drain is comprised of reinforced concrete pipe (RCP) and varies in size from 18-inches to 24-inches. The variable width existing RCP storm drain is located 66.5-feet east of the centerline in the portion of the street that is south of Pine Avenue and is located approximately 23-feet east of centerline in the portion that is north of Pine Avenue, although this location varies. The pipe flows from north to south. The depth of the pipe invert varies from approximately from 4-feet to 6-feet below grade.

The City of El Segundo storm drain is an existing 24-inch, RCP storm drain that runs through Indiana Street, and flows from north to south. It conveys stormwater from a catch basin on the west side of Indiana Street and is located 39 feet west of the project's property line. This storm drain runs south and ties in to another storm drain on Holly Avenue that runs west before ultimately discharging into a basin located approximately 0.5-miles southwest of the Specific Plan area, at the intersection of Center Street and Grand Avenue. The catch basin is located approximately 230-feet north of Holly Avenue.

Federal Emergency Management Agency (FEMA) map #06037C1770F shows this Project site is located within Zone X, which is described to be an area of minimal flood hazard and determined to be outside of the 0.2% annual chance floodplain. There are no Special Flood Hazards on-site.

PROPOSED CONDITION

Drainage must comply with all applicable laws and regulations, including without limitation, the City's National Pollution Discharge Elimination System (NPDES) Permit.

Proposed drainage will include stormwater treatment features on multiple sites within the Specific Plan area, in accordance with the City of El Segundo Low Impact Development (LID) requirements. The storm water quality design volume required by Los Angeles County Low Impact Development (LID) standards will be stored in the system and infiltrate into the soil beneath the underground system within 48 hours. These treatment features are designed to treat the 85th percentile storm event, while overflow drainage features will be designed based on the 25-year storm event.

Infiltration is feasible for stormwater treatment within the Specific Plan area. It appears that one drywell at each of the three new development sites within the Specific Plan area will be able to capture the required volume and will be able to treat that volume as quickly as it enters the drywell system. The same drywell design will be used at each site. The drywells will include overflow piping that will be sized based on the 25-year storm event. Overflow features will convey water to Indiana Street or Mariposa Avenue and into the City of El Segundo catch basin on Indiana Street. Thus, stormwater in the proposed condition will flow only to the City of El Segundo storm drain.

Because the peak flow rate will be reduced in the proposed condition, it is assumed that the City of El Segundo storm drain will have more than enough capacity to handle the flow rate generated.

A Conceptual Drainage Plan has been developed for the Specific Plan area that provides both existing and proposed conditions (refer to Exhibits 10A, 10B, 10C, 10D, 10E, and 10F, *Existing Drainage Plan South Site, Conceptual Drainage Plan South Site, Existing Drainage Plan Fairfield Parking Site, Conceptual Drainage Plan Fairfield Parking Site, Existing Drainage Plan North Site, and Conceptual Drainage Plan North Site respectively*).

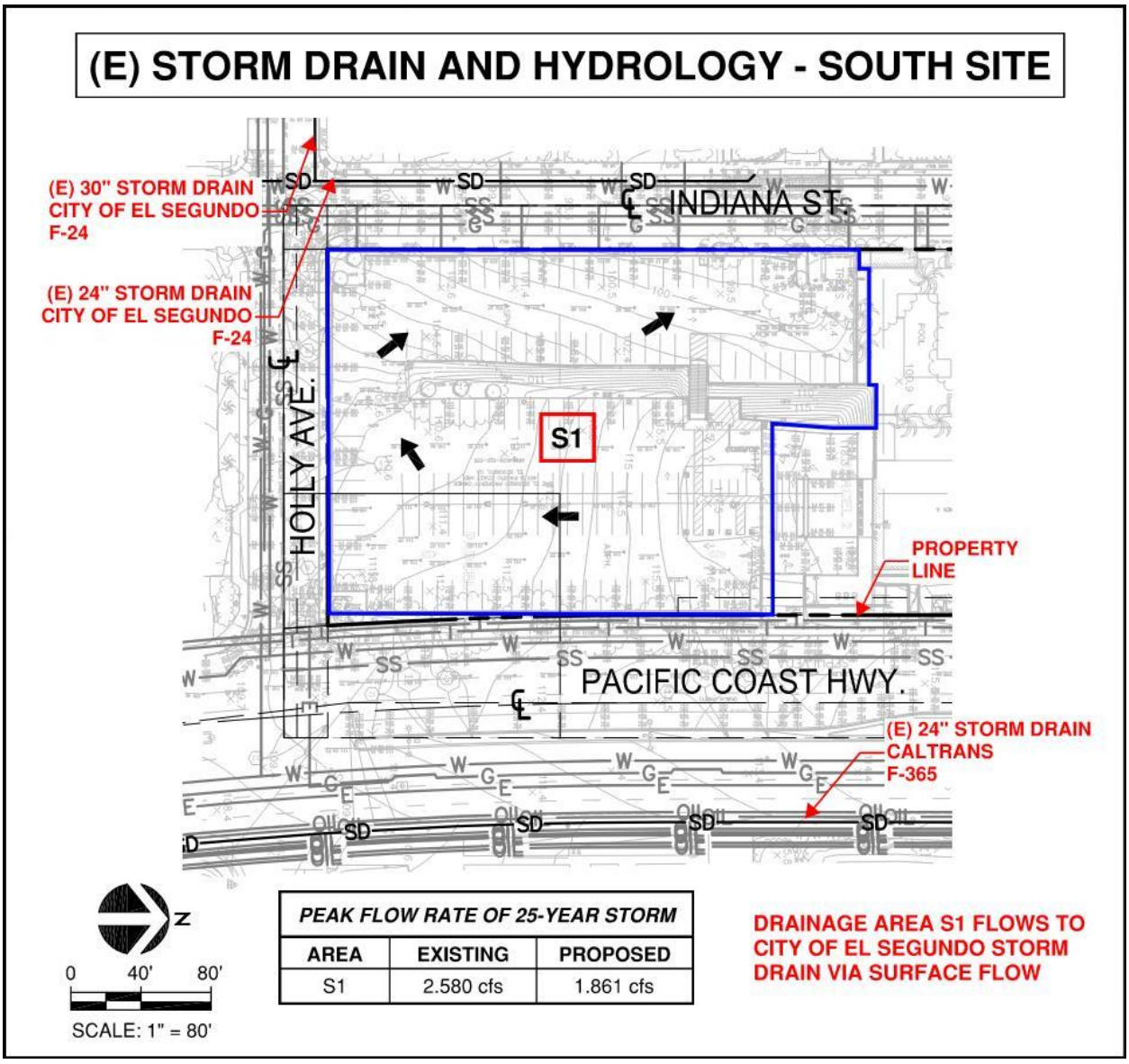

EXHIBIT 10A
EXISTING DRAINAGE PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

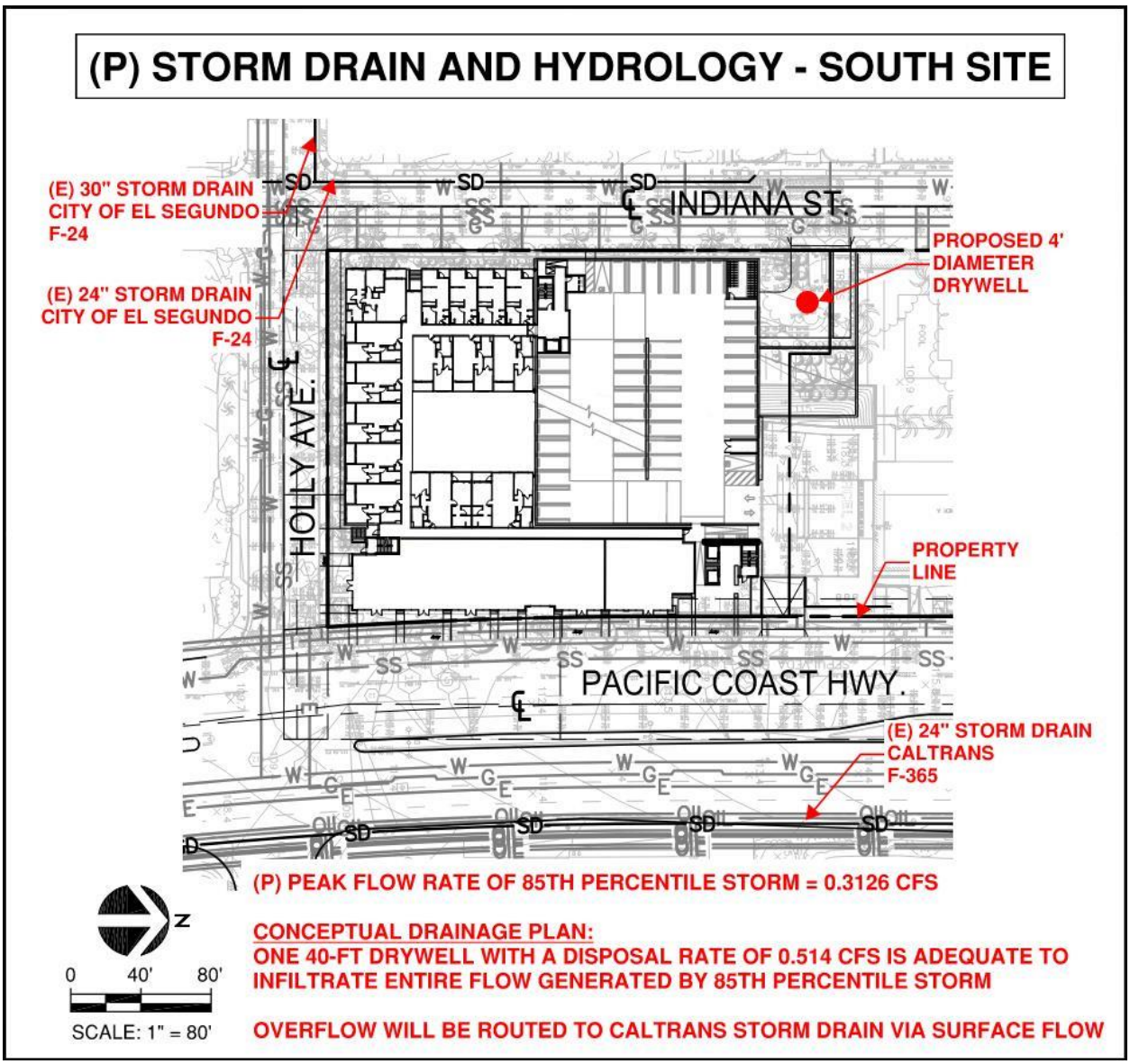

EXHIBIT 10B
CONCEPTUAL DRAINAGE PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

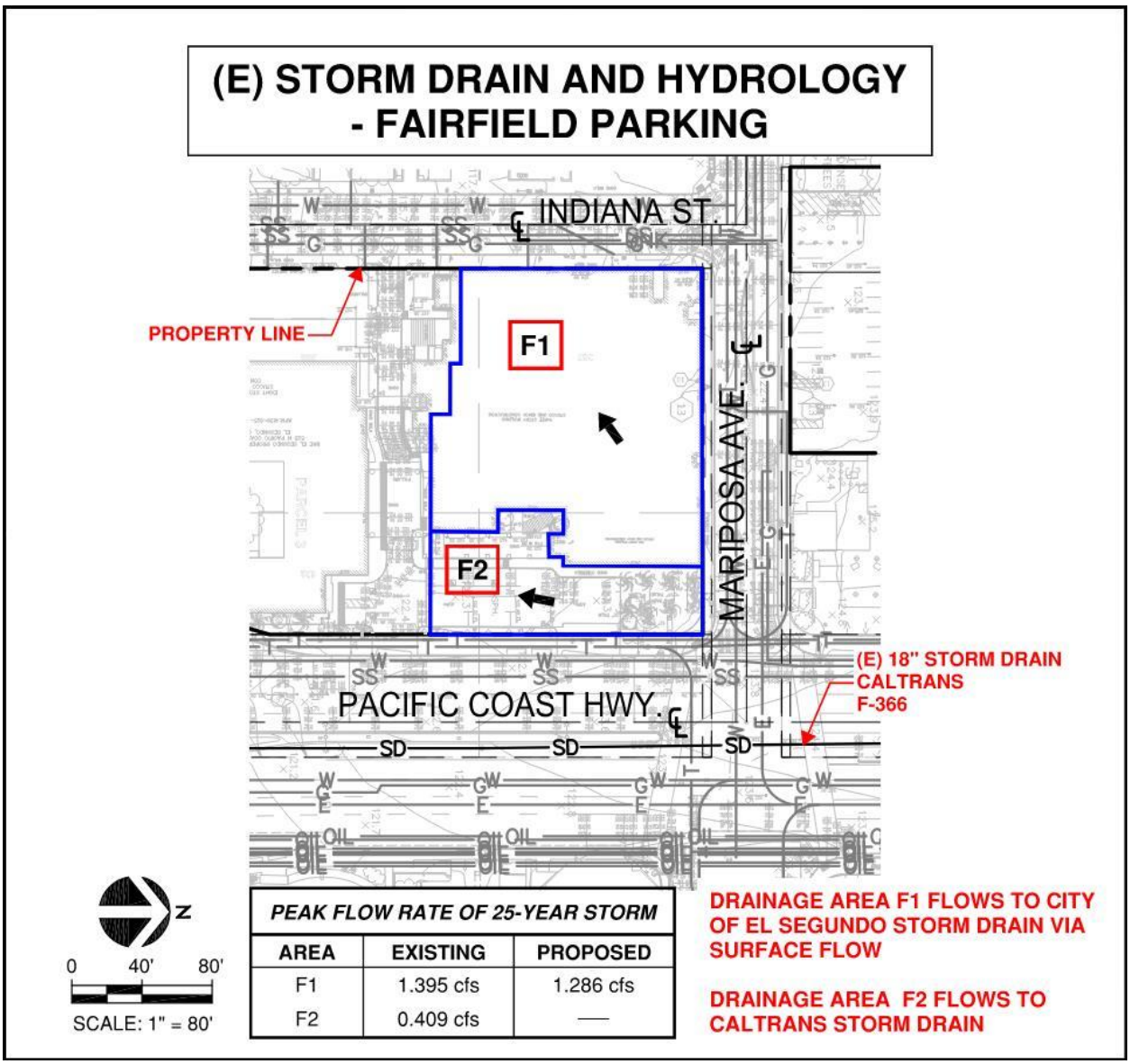

EXHIBIT 10C
EXISTING DRAINAGE PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

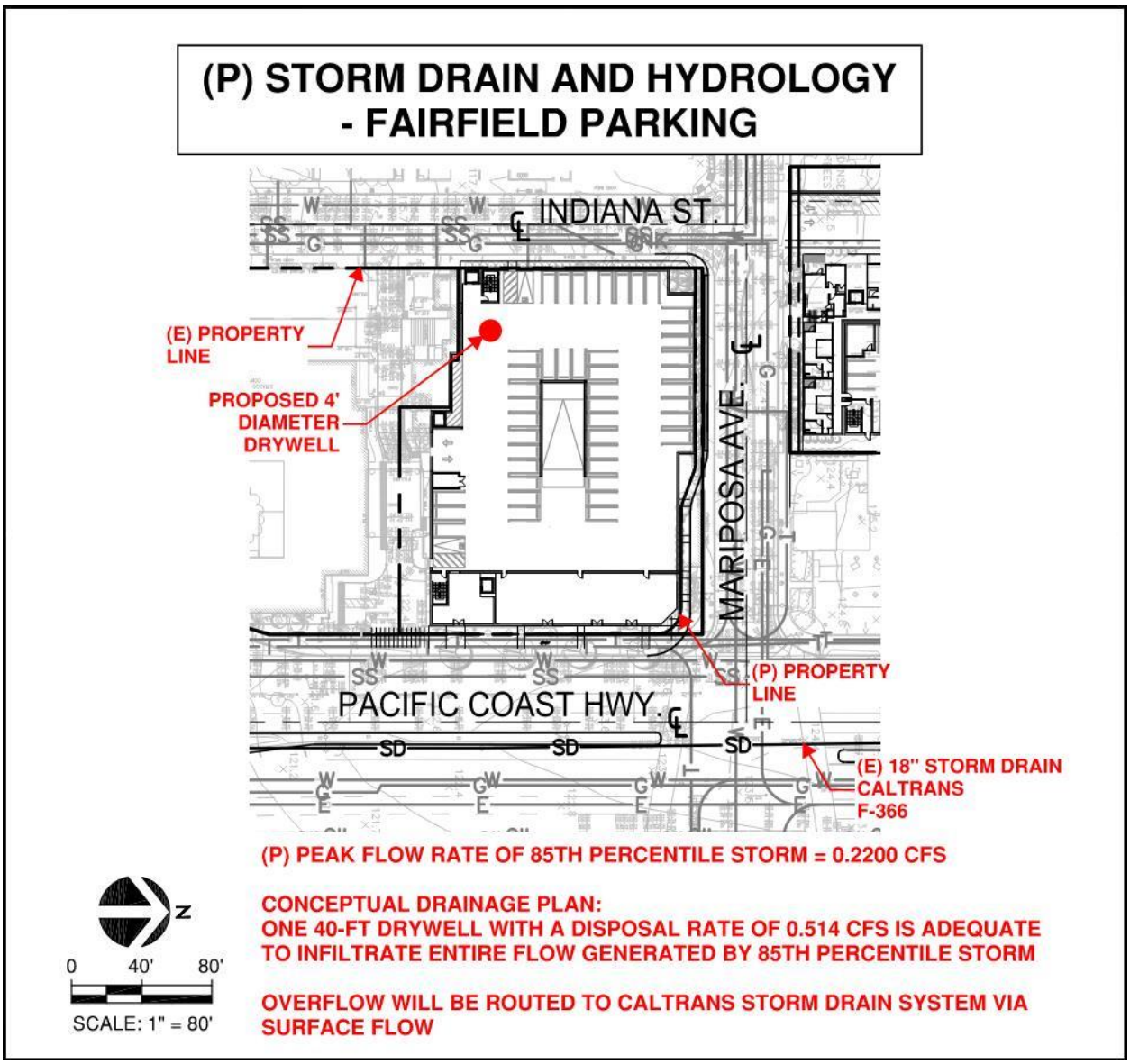

EXHIBIT 10D
CONCEPTUAL DRAINAGE PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

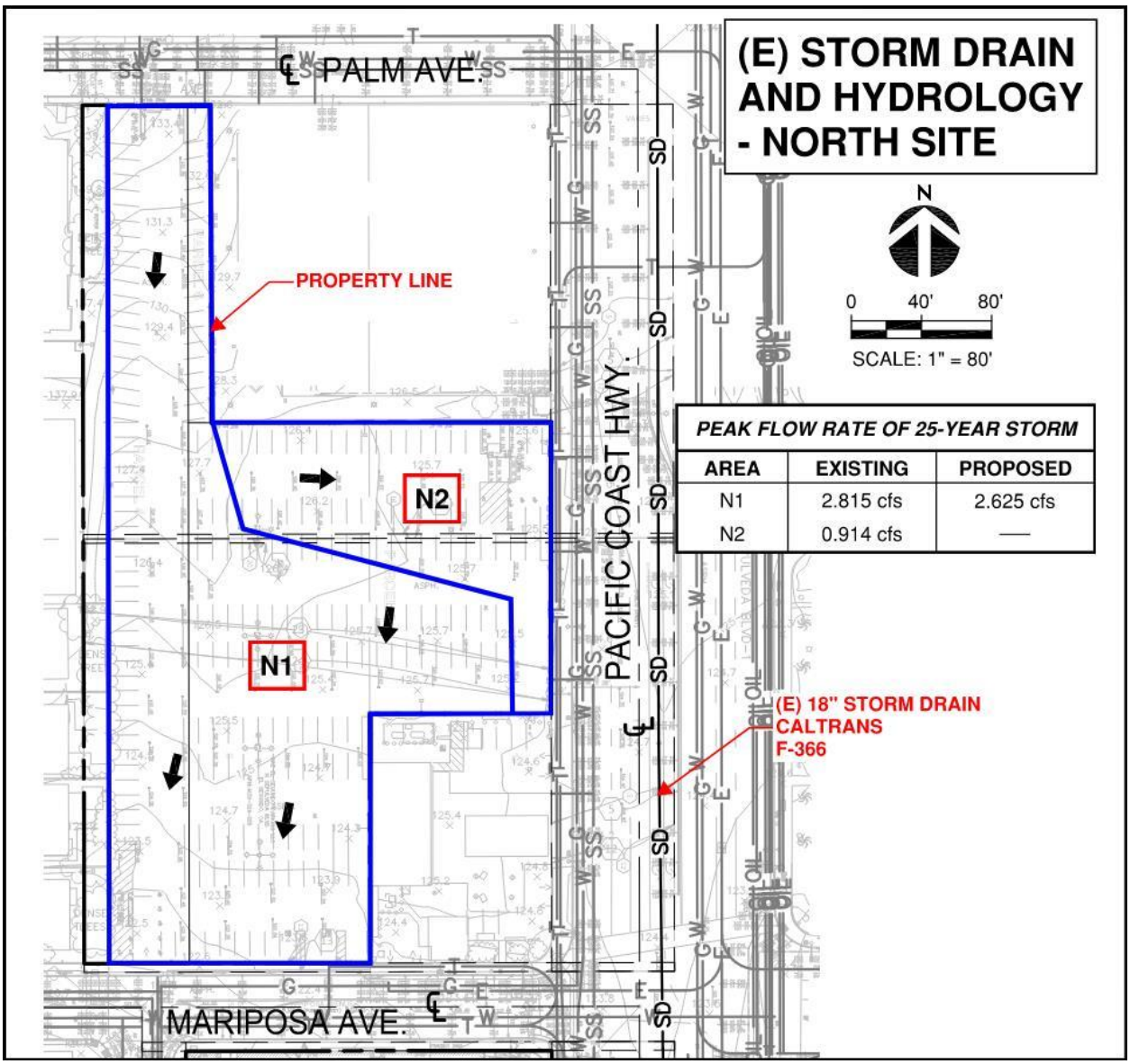

EXHIBIT 10E
EXISTING DRAINAGE PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT

(Source: KPFF)

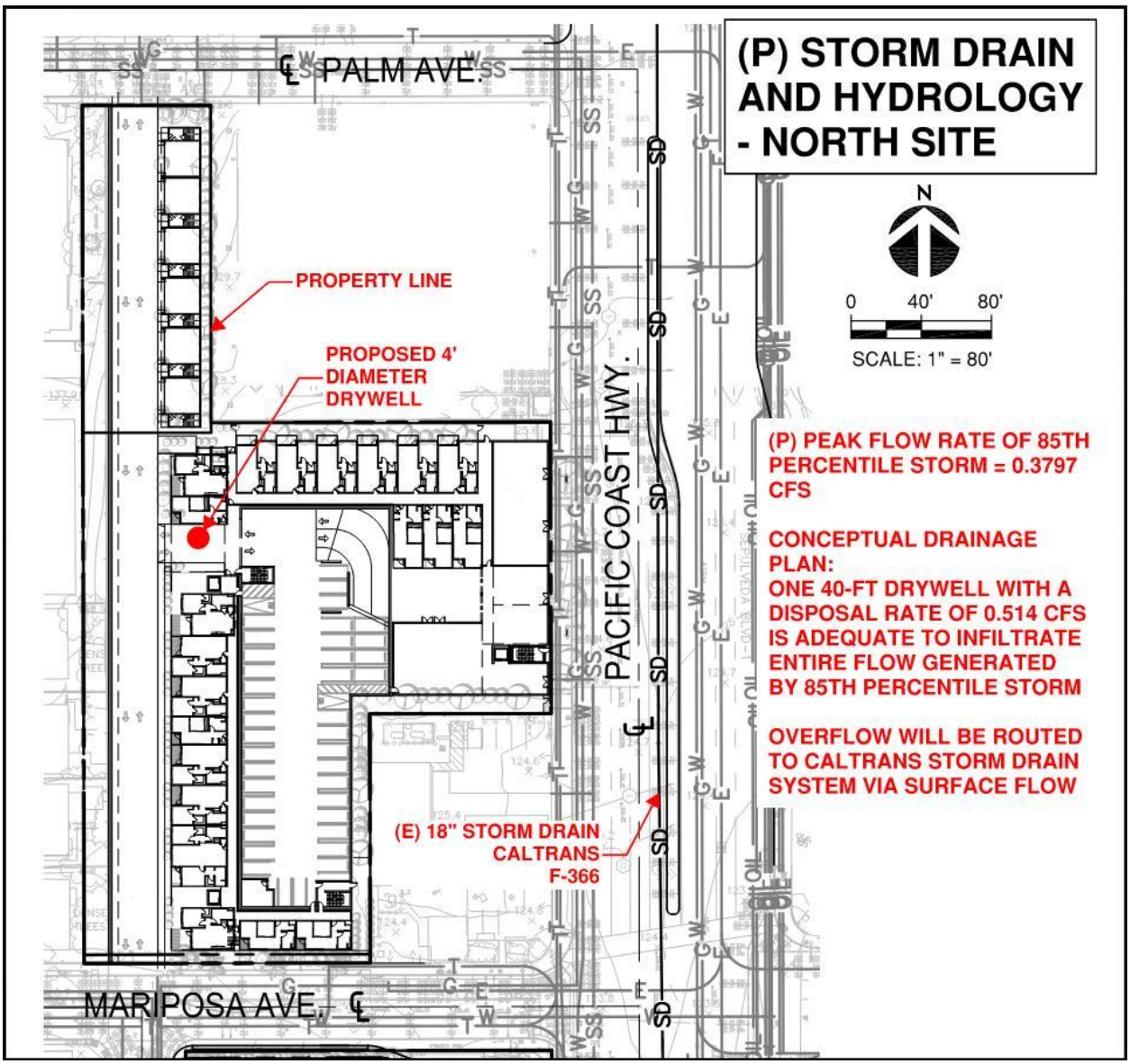

EXHIBIT 10F
CONCEPTUAL DRAINAGE PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT

(Source: KPFF)

E. GAS

EXISTING CONDITION

Natural gas service is provided by Southern California Gas Company (SoCal Gas) and is currently available within the developed portions of the site and in streets surrounding the project site. Specifically, existing SoCal Gas utilities are located in the following streets adjacent to the project site: Pacific Coast Highway, Palm Avenue, Mariposa Avenue, Indiana Street, and Holly Avenue.

PROPOSED CONDITION

The existing gas service will be maintained and future gas service will be provided through private gas service line connections to the SoCal Gas utilities (public main line(s)) in the surrounding streets that include Pacific Coast Highway, Palm Avenue, Mariposa Avenue, Indiana Street, and Holly Avenue. The private gas service lines will be secured by easements with SoCal Gas.

A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

F. ELECTRIC

EXISTING CONDITION

Electric power is provided by Southern California Edison (SoCal Edison) to the Specific Plan area through an underground utility conduit system in the streets adjacent to the project site including Pacific Coast Highway and Mariposa Avenue.

PROPOSED CONDITION

SoCal Edison has existing underground electrical utilities in the streets adjacent to the project site, including Pacific Coast Highway and Mariposa Avenue. New underground utility conduit systems will be needed to intercept the existing underground electric system and provide electrical power to the proposed improvements. An easement will be granted to SoCal Edison for access and maintenance. Final locations and points of connection for the electrical system will be based on a final approved SoCal Edison design. A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

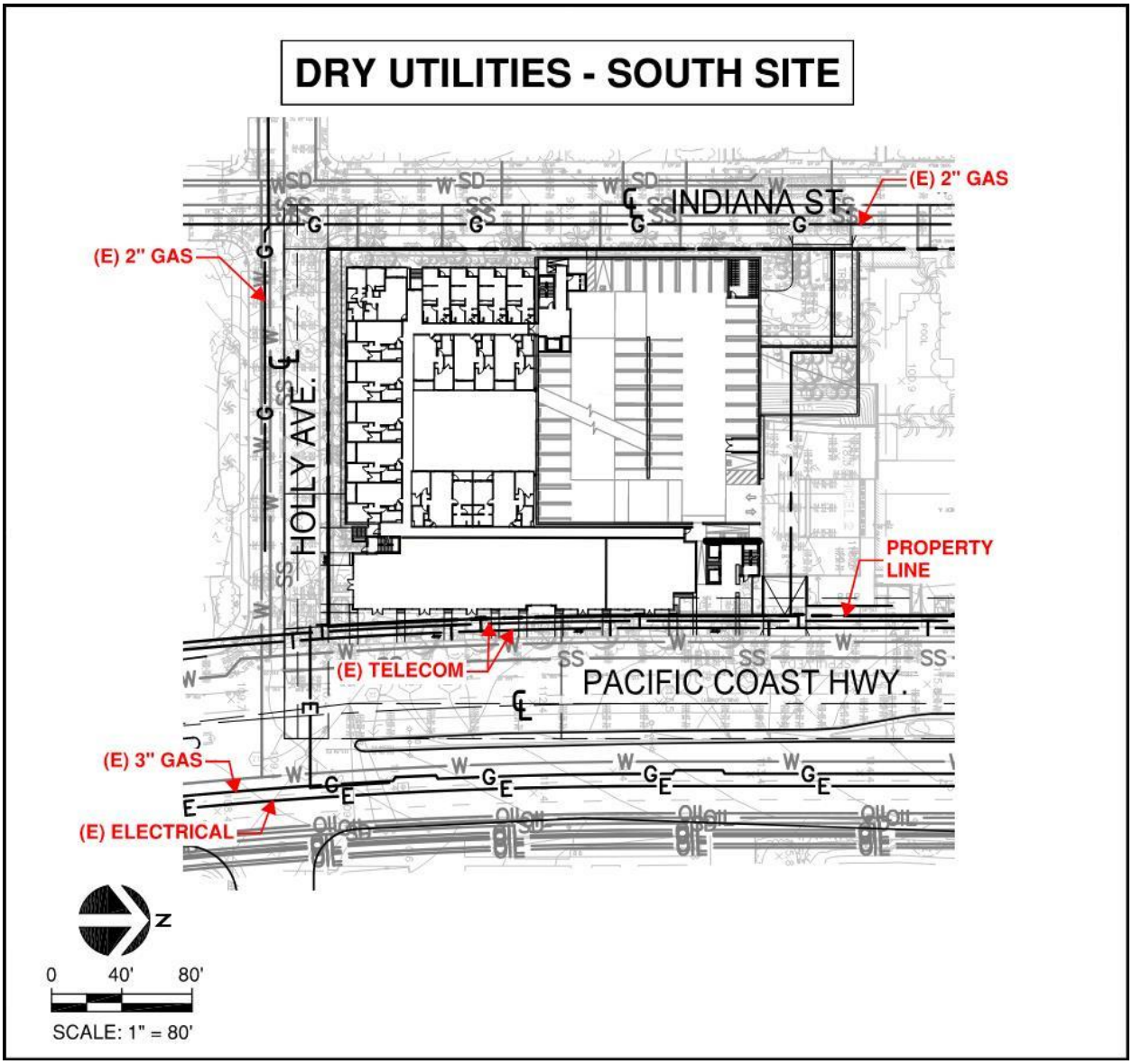

EXHIBIT 11A
CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN
SOUTH SITE IN THE PCC MU-1 DISTRICT

(Source: KPFF)

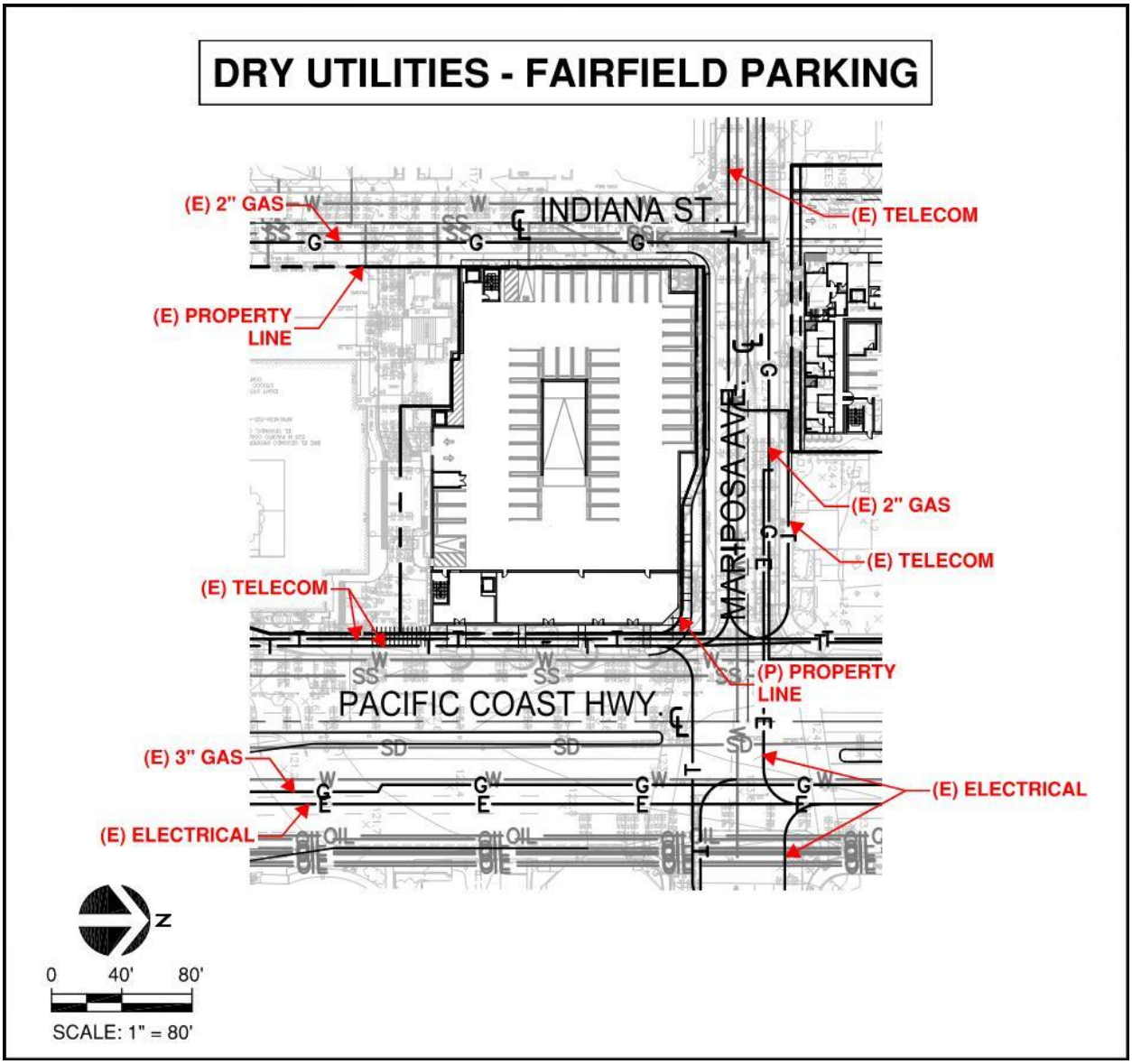

EXHIBIT 11B
CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN
FAIRFIELD PARKING SITE IN THE PCC COM-3 DISTRICT

(Source: KPFF)

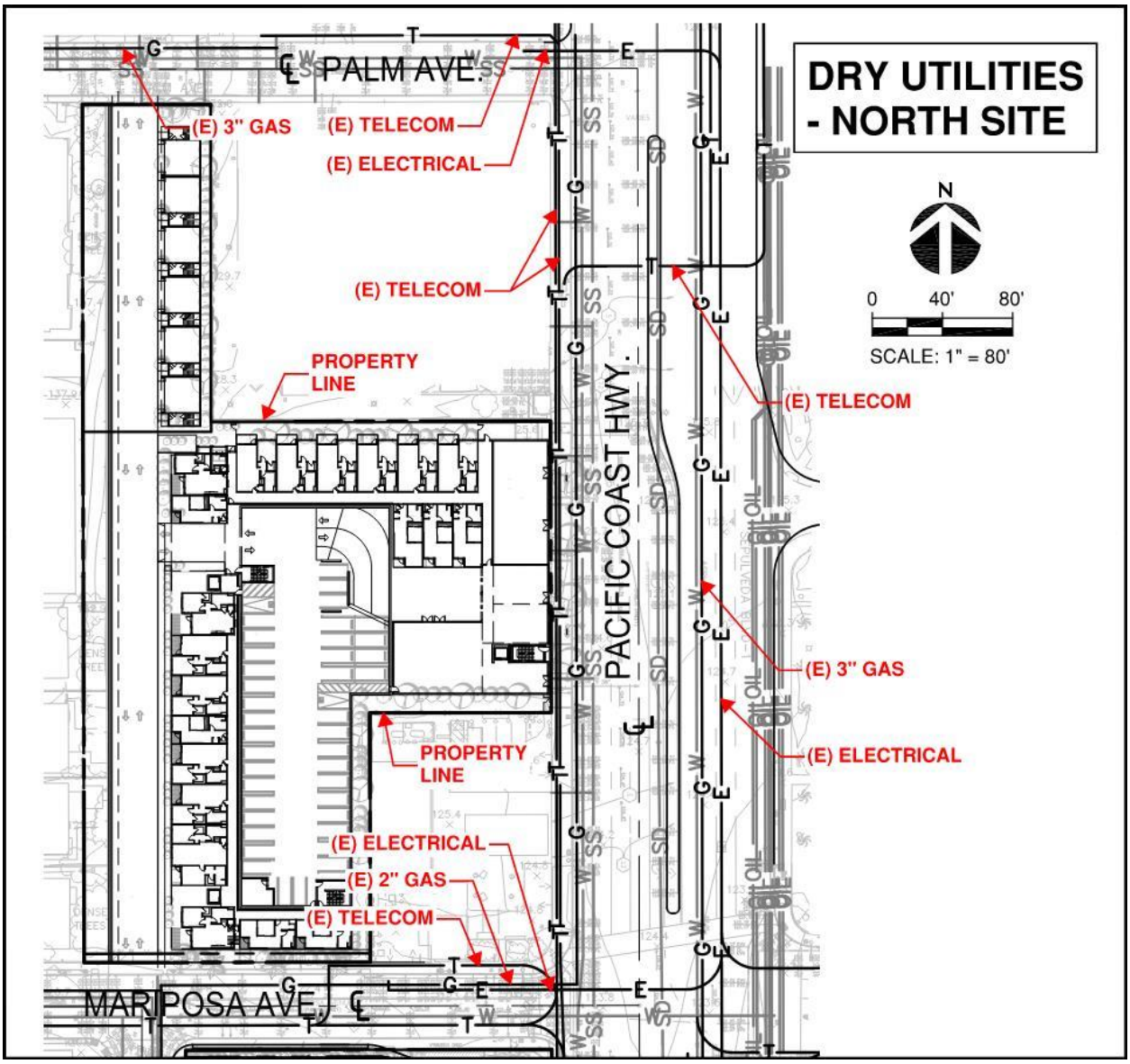

EXHIBIT 11C
CONCEPTUAL ELECTRIC, GAS AND TELECOMMUNICATIONS PLAN
NORTH SITE IN THE PCC MU-2 DISTRICT

(Source: KPFF)

G. TELECOMMUNICATIONS UTILITIES

EXISTING CONDITION

Cable and telecommunication service is provided by Sonify, Velocity, Verizon, CenturyLink, and Charter Communications in the vicinity of the Specific Plan area. Verizon and CenturyLink currently have underground facilities in Pacific Coast Highway. Charter Communications has a combination of aerial and underground facilities in Indian Street, Mariposa Avenue, Palm Avenue and Holly Avenue. Velocity provides phone and internet service to the Aloft and the Fairfield Inn and Suites hotels. Currently, Sonify provides television service to the Aloft and Fairfield Inn and Suites hotels.

PROPOSED CONDITION

It is anticipated that Velocity and Sonify would continue to provide service to the Aloft and the Fairfield Inn and Suites hotels. Charter Communications has indicated that it may provide service to the project, but will need to perform an investigation of the area to confirm that it is feasible. New underground utility conduit systems will intercept the existing underground telecommunications system and provide services to the proposed buildings. An easement will be granted to the telecommunication companies for access and maintenance. Final locations and points of connection for the telecommunications system will be based on a final approved design by the telecommunications providers. A conceptual plan has been developed for the Specific Plan area (refer to Exhibits 11A, 11B, and 11C, *Conceptual Electric, Gas & Telecommunication Plan South Site, Conceptual Electric, Gas & Telecommunication Plan Fairfield Parking Site, and Conceptual Electric, Gas & Telecommunication Plan North Site respectively*).

H. SOLID WASTE DISPOSAL

EXISTING CONDITION

Solid waste disposal is provided to multiple-family and commercial users by a variety of private haulers.

FUTURE CONDITION

Development within the Specific Plan would contract with a provider. Landfill capacity is adequate for assumed population and residential and commercial growth within Los Angeles County. Solid waste facilities within the Specific Plan area will comply with all ESMC requirements pertaining to building, fire, zoning codes (e.g., adequate trash enclosures and screening).

I. FIRE PROTECTION

EXISTING CONDITION

Fire protection services are provided by the El Segundo Fire Department which has two stations.

Fire Station 1 is located at 314 Main Street (next to City Hall) which is 1.1 miles from the Specific Plan area. Fire Station 2 is located at 2261 East Mariposa Avenue (at Mariposa Avenue and Douglas Street) which is 0.8 miles from the Specific Plan area. The provision of water for fire suppression is provided by on-site building sprinklers and from several off-site fire hydrants.

FUTURE CONDITION

Buildings will have sprinkler systems as required by the ESMC. Additional fire hydrants will be provided in addition to existing hydrants to provide coverage for portions of the proposed buildings that are in excess of 150 feet from a public hydrant. Spacing between fire hydrants for the South Site (in the PCC Mixed-Use 1 (PCC MU-1) land use district), Fairfield Parking Site (in the PCC Commercial-3 (PCC COM-3) land use district), and in the North Site (in the PCC Mixed-Use 2 (PCC MU-2) land use district) will be 300 feet for public fire hydrants. The North Site will have a minimum of 3 hydrants. The Fairfield Parking Site will have a minimum of 1 hydrant and the South Site will have a minimum of 3 hydrants. Fire hydrant requirements are discussed in greater detail above in "Section IV-A Water Service" of this Specific Plan. Development will be required to pay fire impact fees to off-set the additional demand for municipal fire protection services as a result of the new development.

J. POLICE SERVICES

EXISTING CONDITION

Police services are provided by the El Segundo Police Department which is located at 348 Main Street.

FUTURE CONDITION

Development will be required to pay police impact fees to off-set the additional demand for municipal police services as a result of the new development.

V. DESIGN GUIDELINES

These design guidelines are intended as "guidelines" instead of "development regulations." Consequently, strict compliance is not required. These design guidelines apply only to new construction (not applicable to existing buildings and site improvements in the PCC MU-1, PCC COM-1, PCC COM-2, and PCC COM-3 land use districts) and site areas that are modified as of the effective date of this Specific Plan. To promote the quality of design planned for this Project, the design guidelines given in this document establish criteria that enhance the coordination, organization, function and identity of the site, while maintaining a compatible relationship with the surrounding development of the Pacific Coast Commons Specific Plan.

A. DESIGN OBJECTIVES

Design Guidelines for the Pacific Coast Commons Specific Plan will promote and reinforce the City's commitment to high quality development. The objectives of these guidelines are to:

- Provide for high-quality residential and commercial development within the Specific Plan area.
- Promote orderly and predictable development.
- Encourage individual creativity and innovative solutions by allowing flexibility in how a particular guideline is met as long as the intent of the guideline is achieved.
- Ensure functional pedestrian, bicycle and motor vehicle circulation within the Project and convenient pedestrian and bicycle linkages to and from adjacent residential and commercial areas and schools.

1. Site Planning

a. The arrangement of new buildings, parking and circulation areas should recognize the particular characteristics of the site and should create a cohesive identity.

b. Site development should utilize variations on building orientation and landscaping adjacent to the public streets so that a monolithic "wall" of building faces is not created.

c. The design and location of accessory buildings (e.g., maintenance and storage buildings, trash and recycling enclosures, and outdoor mechanical equipment enclosures) should be incorporated into and be compatible with the overall design of the Project and the main buildings on the site.

d. Appropriate linkages between internal Project components and buildings should be incorporated, including pedestrian walkways.

e. Buildings should be arranged to create opportunities for outdoor amenities (e.g., plazas, courtyards, outdoor eating areas, etc.) where appropriate and feasible.

2. Access and Parking

a. The use of common (shared) access points and driveways is encouraged; placement of vehicle access points close to building entries should be avoided to minimize pedestrian and vehicular conflicts.

b. Entry driveway areas should be clearly marked by identifying features, (e.g., prominent landscape features and well-designed monument-type signs).

c. Access to each building should be clearly visible to pedestrians and motorists through the use of signage, color, and/or design elements.

d. Surface parking lots adjacent to and visible from public streets should incorporate landscaping to minimize undesirable visual impacts.

e. Surface parking areas should be enhanced and visually broken up through the use of canopy trees and landscape improvements and to reduce the effects of heat gain.

f. Parking lot and driveway design is encouraged to include water quality storm water facilities consistent with City standards.

3. Architecture/Orientation/Massing

a. The massing, scale and architectural style should consider compatibility with the surrounding character and existing buildings to reflect a cohesive character.

b. The orientation of the newly constructed buildings should facilitate and encourage pedestrian activities.

c. The mass and scale of new buildings should be compatible with the existing and adjacent structures and with each other. This can be accomplished by transitioning from the height of adjacent buildings to the tallest elements of the new building, stepping back the upper portions of taller buildings, and incorporating human scale elements, such as pedestrian scaled doors, windows, and building materials on the ground floor.

d. Buildings should be divided into distinct massing elements and should be articulated with architectural elements and details. Changes in height, horizontal plane, materials, patterns and colors should be used to reduce building scale and mass.

e. Primary building entries should be easily identified through the use of prominent architectural elements, signage, landscaping, decorative hardscape, lighting, canopies, roof form, architectural projections, columns, vertical and/or horizontal elements, and other design features that help emphasize a building's entry.

f. Building elevations, whether front, side, or rear, that are visible from public rights-of-way should be architecturally detailed to incorporate quality materials and architectural features that reflect the theme of surrounding structures and facades. Building entrances should be readily identifiable. The use of recesses, projections, columns, and other design elements to articulate entrances is encouraged.

g. Facades should include vertical and horizontal variations in wall planes, building projections, door and window bays, and similar elements. Building articulation should be present on the side and rear walls of the buildings if visible from the adjacent streets (Pacific Coast Highway, Mariposa Avenue, Holly Avenue, Indiana Street, and Palm Avenue) and the western facing building facades in the PCC Mixed-Use 2 (PCC MU-2) land use district.

h. The exterior surfaces of buildings for the ground floor must be protected with anti-graffiti coating where not screened by shrubs, vines and trees.

4. Color and Materials

a. Colors and materials should be consistent and complementary throughout the Project area.

b. Exterior materials and architectural details should complement each other and should be stylistically consistent.

c. Building materials must be durable and resistant to damage, defacing, and general wear and tear. Acceptable building materials may include concrete, fiber cement siding, stone masonry, metal, stucco, glass and/or other contemporary composites.

d. Building materials that support sustainability through the use of environmentally sound building materials and local resources (e.g., locally available, contain high recycled-content, are reused, come from renewable sources, and that contain low volatile organic compound (VOC) levels) is highly encouraged.

5. Screening and Mechanical Equipment

a. All screening devices should be compatible with the architecture, materials and colors of the building.

b. Loading docks, bays and parking spaces, delivery service areas, outdoor storage areas, stand-alone mechanical equipment facilities, should be located and designed to minimize their visibility, circulation conflicts and adverse noise impacts. Sound attenuation walls should be used where appropriate to reduce noise where required by code or the Project's environmental analysis.

c. Utility and mechanical equipment should be screened from view of public streets and nearby buildings on all sides with landscaping and/or architectural elements.

d. Rooftop mounted equipment visible from the surrounding area, adjacent buildings, and any public rights-of-way should be screened from public view and equipment should be painted to match the roof color when equipment is visible.

e. Trash and recycling receptacles areas should be completely screened from public view from public rights-of-way with solid walls, wood, and/or landscaping.

f. Ground mounted enclosures should be protected with anti-graffiti coating where not screened by shrubs, vines and trees.

Trash enclosures with architectural screening elements

6. Parking Structures

a. Parking garages should be designed to help reduce the mass and scale of the garage and to ensure their compatibility with surrounding uses.

b. Parking garages should be designed to minimize the view of vehicles in the garage through a combination of screen walls and plantings while providing adequate visibility for security purposes.

c. The exterior elevations of parking structures should be designed to avoid a monotonous, monolithic appearance. This can be accomplished through a menu of options as follows:

i. Minimize horizontal and vertical banding by balancing both horizontal and vertical elements.
ii. Design 'green screens' to provide visual relief.
iii. Use simple, clean geometric forms, and coordinated massing.
iv. Size openings in the parking garage to resemble large windows as in an office building.
v. Use masonry materials that are predominantly light in color but avoid unpainted concrete. Use of accent materials is encouraged.
vi. Avoid a sloping ramp appearance by providing level and uniform spandrels.
vii. Visually define and differentiate between pedestrian and vehicular entrances through appropriate architectural detailing.

d. Stairs and elevators should be located adjacent to a street on the exterior of the structure where lobbies can be exposed to outside view. Safe pedestrian street crossings should be taken into consideration.

e. Lighting levels should be equally distributed to provide uniform illumination over all parking areas.

f. Light sources should be shielded so that the source of the illumination is not seen from outside the structure.

g. The ground floor level of any parking structure must be protected with anti-graffiti coating.

7. Landscaping

A Landscape Plan must be provided to the City concurrently with each site plan review submittal.

General

a. All areas not covered by buildings, parking structures, walkways, driveways, drive aisles, fire lanes, parking spaces, and service areas should be landscaped (with drought tolerant plantings and sustainable hardscapes in accordance with the City's water conservation requirements).

b. Landscaping should enhance the quality of the Project by framing and softening the appearance of buildings, defining site functions, screening undesirable views and buffering incompatible uses.

c. Landscaping at the perimeter of buildings is encouraged to soften the transition between building and adjacent uses and between building and the public right-of-way where feasible. Parking lot landscaping must be distributed evenly to the extent feasible to provide for consistent design and

shading.

d. Landscaped areas should generally incorporate a combination of planting materials utilizing a three-tiered system consisting of: 1) trees, 2) shrubs or vines, 3) groundcover/ornamental grasses. Landscaping should be in scale with the adjacent buildings and be of appropriate size at maturity.

e. Placement of landscaping should not interfere with the lighting of the Project area or restrict access to utilities.

f. Landscaping should be utilized to define edges, buffer adjacent properties, screen parking areas and storage areas.

g. Trees must adequately shade parking lots and provide sufficient area for water quality requirements.

h. Paving materials should include pervious hardscape materials to facilitate water treatment and reduce runoff.

i. Bio-retention areas can be used to detain/percolate run-off in planted swales, raised open-bottomed planters, etc.

On-site storm water capture system

j. Site furnishings including, but not limited to, fixed and moveable seating, trash and recycling receptacles, bike racks, and pedestrian scaled lighting should be of durable and sustainable materials.

8. Walls and Fences

a. Wall and fence design should complement the Project's architecture. Landscaping may be used to soften the appearance of the wall surface.

b. Wall and fencing materials must be made of a durable material. Wall and fencing materials may consist of wrought iron, tubular steel, stone, stucco, or brick. Solid walls should incorporate pilasters with decorative caps and offsets, consistent with the overall architecture.

c. Landscaping should be used to soften the appearance of the wall surfaces and deter graffiti.

d. Walls and fences that are not screened by vines, shrubs and trees should be protected with anti-graffiti coating.

9. Lighting Design

a. The type and location of parking structure, parking area, building and drive aisle/fire lane lighting should prevent direct glare on to adjacent residential properties.

b. Pedestrian scale lighting should be present at all entries, plazas, courtyards, parking lots, parking structures, pedestrian ways, and other areas where nighttime pedestrian activity is expected.

c. Lighting design of fixtures and their structural support should be architecturally compatible with the architecture of the Project.

d. When appropriate, wall-mounted lighting may be incorporated. Wall-mounted lights should be compatible with the building's architectural style.

10. Signage

a. The character of signage, including the location, size, height, design and lighting should be in keeping with the architectural character and monument style of the overall Project.

b. Signs should make a positive contribution to the desired character of the Project and provide for clear identification and wayfinding.

c. Incorporate pedestrian level signage where appropriate throughout the commercial areas in the Specific Plan.

VI. DEVELOPMENT STANDARDS

The following standards are intended to supplement the existing General Plan and ESMC. Where this Specific Plan is inconsistent with the ESMC, the Specific Plan prevails. Where this Specific Plan does not specifically regulate, development must comply with the standards and requirements set forth in the ESMC.

A. PERMITTED USES

Uses within the Specific Plan area are governed by the following Table, by district: Wireless facilities are permitted subject to the requirements of ESMC Chapter 15-19.

Table VI-1
Allowable Uses

Use	PCC MU-1	PCC COM-1	PCC COM-2	PCC COM-3	PCC MU-2
Bars (in conjunction with a Hotel)	-	CUP	CUP	CUP	-
Cafes	P	P	P	P	P
Conference Facility/Conference Rooms (in conjunction with a Hotel)	-	P, A	P, A	P, A	-
Fitness Facility or Private Training Studio	P	A	A	P	P
General Offices	P, A	P, A	A	A	P, A
General Storage	A	A	A	A	A
Hotels	-	CUP	CUP	CUP	-
Maintenance Buildings/Facilities (in conjunction with a Hotel or in in conjunction with a multiple-family residential building)	A	A	A	A	A
Medical/Dental Offices	P	-	-	P	P
Multiple-family residential lease office	P	-	-	-	P
Multiple-family residential dwellings (apartments, townhomes)	P	-	-	-	P

Off-site sale of alcohol at retail establishments	AUP	AUP	AUP	AUP	AUP
On-site sale and consumption of alcohol at restaurants and cafes	AUP	AUP	AUP	AUP	AUP
On-site sale and consumption of alcohol at bars, other than wine bars	-	CUP	CUP	CUP	-
On-site sale and consumption of alcohol at wine bars	CUP	CUP	CUP	CUP	CUP
Outdoor Dining	A	A	A	A	A
Parking structures and surface parking lots	A	A	A	A	A
Recreational facilities or multipurpose recreational building or room accessory to multi-family residential uses or hotels	A	A	A	A	A
Restaurants, full service	P	A	A	P, A	P
Restaurants, fast food	P	A	P, A	P, A	P
Retails Sales - including convenience stores and General Retail Stores (excluding building material stores, warehouse retail showrooms, and off-site sale alcohol sales)	P, A	A	A	P, A	P, A
Retail Services (including Personal Services and Business and Consumer Support Services)	P, A	A	A	P, A	P, A
Wireless Communications Facilities (Pursuant to ESMC Chapter 15-19)	AUP, CUP	AUP, CUP	AUP, CUP	AUP, CUP	AUP, CUP
Any use customarily incidental to a permitted use	A	A	A	A	A
All uses that are not permitted, conditionally permitted or determined to be similar uses as specified above.	-	-	-	-	-

AUP	**Administrative Use Permit**
A	**Permitted Accessory Use**
CUP	**Conditional Use**
P	**Permitted Use**
--	**Not Permitted**

Note: Pursuant to the ESMC, uses of a similar nature which are unlisted in Table IV-1 may be considered by the Director of Planning and Building Safety, subject to appeal to the Planning Commission.

B. DEVELOPMENT STANDARDS

1. Lot Area

a. The minimum building lot area is 10,000 gross square feet in all land use districts.

2. Height

a. Buildings and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district in the Specific Plan cannot exceed 90 feet in height including elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas and roof level recreational facilities/open space areas are permitted and they cannot exceed 14 feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

b. Buildings and structures within the PCC Commercial-1 (PCC COM-1) land use district in the Specific Plan cannot exceed 105 feet in height, measured from lowest finished grade to the highest point of measurement. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

c. Buildings and structures within the PCC Commercial-2 (PCC COM-2) land use district in the Specific Plan cannot exceed 115 feet in height, measured lowest finished grade to the highest point of measurement. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

d. Buildings and structures within the PCC Commercial-3 (PCC COM-3) land use district in the Specific Plan cannot exceed 68 feet in height including elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas are permitted and they cannot exceed 14 feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

e. Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in the Specific Plan cannot exceed 85 feet in height including

elevator/stairwell roof projections, measured from lowest finished grade to the highest point of measurement. Light standards on roof level parking areas and roof level recreational facilities/open space areas are permitted and they cannot exceed 14 additional feet in height. Exceptions to building height are permitted in accordance with ESMC §15-2-3.

3. Setbacks

a. Pacific Coast Highway: Building and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district, the PCC Commercial-1 (PCC COM-1) land use district, the PCC Commercial-2 (PCC COM-2) land use district, the PCC Commercial-3 (PCC COM-3) land use district, and the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Pacific Coast Highway.

b. Mariposa Avenue (north and south sides): Buildings and structures within the PCC Commercial-3 (PCC COM-3) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Mariposa Avenue. Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Mariposa Avenue.

c. Holly Avenue: Buildings and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Holly Avenue.

d. Indiana Street: Building and structures within the PCC Mixed-Use 1 (PCC MU-1) land use district, the PCC Commercial-1 (PCC COM-1) land use district, the PCC Commercial-2 (PCC COM-2) land use district, and the PCC Commercial-3 (PCC COM-3) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Indiana Street.

e. Palm Avenue: Buildings and structures within the PCC Mixed-Use 2 (PCC MU-2) land use district in this Specific Plan must be setback a minimum of zero feet (0') from the adjoining public right-of-way of Palm Avenue.

f. Interior Setbacks: Minimum interior setbacks for buildings and structures in the PCC Commercial-1 (PCC COM-1), the PCC Commercial-2 (PCC COM-2) and the PCC Commercial-3 (PCC COM-3) land use districts within the Specific Plan must be setback a minimum of zero feet (0'). Parking and loading spaces must maintain a minimum of zero feet (0').

g. Interior Setbacks in the PCC Mixed-Use 1 (PCC MU-1) land use district:

Buildings and structures in the PCC Mixed-Use 1 (PCC MU-1) land use district within the Specific Plan must maintain a minimum of zero feet (0') from each interior lot line. Parking and loading spaces may maintain a minimum of zero feet (0').

h. Interior and Rear Setbacks in the PCC Mixed-Use 2 (PCC MU-2) land use district: The apartment building and townhomes in the PCC Mixed-Use 2 (PCC MU-2) must maintain a minimum of forty-one feet (41') from the western lot line. The apartment building and townhomes must maintain a minimum of ten feet (10') and balconies, decks and patios must maintain a minimum of five feet (5') from all other interior lot lines except that only a minimum of 3 feet (3') is required from the interior property line between the 2 parcels in the PCC Mixed-Use 2 (PCC MU-2) land use district. Accessory buildings in the PCC Mixed-Use 2 (PCC MU-2) land use district within the Specific Plan must maintain a minimum of ten feet (10') from each interior or rear lot line. Structures in the PCC Mixed-Use 2 (PCC MU-2) land use district within the Specific Plan must maintain a minimum of three feet (3') from each interior or rear lot line. Fences and walls may be located at zero feet (0'). Parking and loading spaces may maintain a minimum of 0 feet (0') from the interior property line between the 2 parcels in the PCC Mixed-Use 2(PCC MU-2) land use district.

i. Exceptions to setback requirements are permitted subject to the requirements of ESMC § 15-2-7 Open Space Areas and Encroachments, and as permitted in Sections VI(D) and VI(E) of this Specific Plan.

4. Lot Frontage

a. A minimum of 100 feet of frontage must be provided for all lots on a dedicated public street, except that only a minimum of 50 feet of frontage must be provided for a lot with frontage on Palm Avenue. Lot frontage only applies to ground parcels and not to airspace parcels.

5. Residential Density

a. A maximum of 120 dwelling units is permitted in the PCC Mixed-Use 1 (PCC MU-1) land use district.

b. A maximum of 143 dwelling units is permitted in the PCC Mixed-Use 2 (PCC MU-2) land use district.

6. Floor Area

Floor area shall be based upon the net floor area definition established in this Section VI(B)(6)(f) below.

a. The maximum floor area permitted in the PCC Mixed-Use 1 (PCC MU-1) land use district is 2.70:1.

b. The maximum floor area permitted in the PCC Commercial-1 (PCC COM-1) land use district is 2.51:1.

c. The maximum floor area permitted in the PCC Commercial-2 (PCC COM-2) land use district is 2.28:1.

d. The maximum floor area permitted in the PCC Commercial-3 (PCC COM-3) land use district is 0.16:1.

e. The maximum floor area permitted in the PCC Mixed-Use 2 (PCC MU-2) is 2.29:1.

f. Net floor area consists of the area of all floors, stories or levels, as measured to the interior of a building's perimeter walls. Space devoted to the following is not included when determining the total net floor area within a building or structure:

1. Balconies, decks, patios, porches and verandas that are covered up to a cumulative total of 100 square feet per unit for multiple-family residential dwellings in the in the PCC MU-1 and PCC MU-2 land use districts;
2. Balconies, decks, patios, porches and verandas that are covered up to a cumulative total of 300 square feet per townhome unit in the PCC MU-2 land use district;
3. Elevator shafts;
4. Stairwells and stairway enclosures;
5. Courts, courtyards or atriums;
6. Rooms exclusively holding building operating equipment;
7. Parking spaces at or above grade and access thereto;
8. Structures or portions of buildings or structures devoted exclusively for parking;
9. Restrooms in common areas of nonresidential buildings; and
10. Up to 500 square feet of interior floor area of an attached garage per townhome unit in the PCC MU-2 land use district.

g. Gross floor area consists of the area included within the surrounding exterior walls of a building or portion thereof, exclusive of garages, vent shafts, and courts. The floor area of a building, or portion thereof, not provided with surrounding exterior walls is the usable area under the horizontal projection of the roof or floor above. Covered balconies, decks, patios, porches and verandas for residential uses up to a cumulative total of 100 square feet for multiple-family residential dwellings per unit and 300 square feet per townhome unit are excluded.

6. Walls and Fences

a. All walls and fences must comply with ESMC § 15-2-4 except as specified in Section VI(B)(2) of this Specific Plan and except that the maximum height of retaining walls in the PCC Mixed-Use 1 (PCC MU-1) land use district cannot exceed 15 feet.

b. Razor wire is not permitted.

c. Chain link fencing is not permitted that is visible from any public rights-of-way.

8. **Accessory Structures**

a. Trash and recycling areas, outdoor storage areas, utility and mechanical equipment, rooftop and ground mounted equipment, transformers and similar structures are permitted subject to screening requirements in ESMC § 15-2-8 and the Design Guidelines in Section V.A(5) of this Specific Plan.

b. Other permitted accessory structures include architectural landscape features per Section VI(E) Landscaping of this Specific Plan and playground equipment.

C. CIRCULATION

1. Public streets must be designed and constructed in accordance with the General Plan and in the overall right-of-way size identified in the Street Classification and Standards (Exhibit C-8) in the Circulation Element of the General Plan or as exempted or a waiver granted subject to the regulations in ESMC Chapter 15-24A Right of Way Dedications and Improvements. No private streets are located within the Specific Plan area. A portion of one public street, Mariposa Avenue (a commercial collector), bisects the northern and southern portions of the Specific Plan area. Streets that adjoin the boundaries of the Specific Plan area include Pacific Coast Highway (a major arterial street that is a Caltrans owned State Highway Facility), Holly Avenue, Indiana Street and Palm Avenue. Holly Avenue, Indiana Street and Palm Avenue are classified as local streets. A portion of Mariposa Avenue between Indiana Street and Pacific Coast Highway is proposed to be expanded on the south side of the street to include a dedicated right turn lane (eastbound on Mariposa Avenue to southbound on Pacific Coast Highway.

D. PARKING AND LOADING

1. Parking and loading must be provided in accordance with the requirements of ESMC Chapter 15-15, except as provided below:

a. Multiple-family Residential Parking: A minimum of 1 parking space will

be provided for each studio unit. A minimum of 1.5 parking spaces will be provided for each one-bedroom unit. A minimum of 2 parking spaces will be provided for each two-bedroom unit. A minimum of 1/3 of a parking space per residential unit will be provided for guest parking. Guest parking for multiple-family residential uses may be co-located and shared with parking for commercial uses. Required non-guest multiple-family residential parking is permitted to be shared with parking that is required for commercial uses up to a maximum of five percent (5%) of the total required parking. The maximum five percent (5%) of shared multiple-family residential parking is based upon the total parking provided within the entire Specific Plan area and is not calculated for individual lots.

b. Multiple-family Residential Parking for Affordable Units: A minimum of 0.5 parking spaces will be provided for each studio unit. A minimum of 1 parking space will be provided for each one-bedroom unit. A minimum of 1.5 parking spaces will be provided for each two-bedroom unit. No guest parking spaces will be required for affordable units.

c. Multiple-family Residential Parking for Townhomes (Condominiums): Townhomes will be provided a two-car garage. A minimum of 1/3 of a parking space per residential unit will be provided for guest parking.

d. The number of parking spaces required for uses other than multiple-family uses specified above will be determined based upon review and approval of a parking demand study which may include shared use analysis.

e. Compact Parking: Compact parking is permitted for a maximum of twenty percent (20%) of spaces for residential and commercial uses.

f. Tandem Parking: Tandem parking is permitted for a maximum of twenty percent (20%) of spaces for residential uses.

g. Vehicle Lifts: Vehicle lifts are permitted for a maximum of ten percent (10%) of parking spaces for multiple-family residential and hotel uses. Vehicle lifts are not permitted for other commercial and retail uses. Vehicle lifts would be permitted in parking structures. A vehicle lift may only be used to store two (2) vehicles vertically where a minimum vertical height clearance in the parking structure is a minimum of fourteen feet (14') clear of obstructions. Both the upper and lower space where a lift is used count toward the maximum percentage. A vehicle lift may be permitted only with a key locking mechanism and an automatic shutoff safety device which is installed in accordance with manufacturer specifications. Maintenance of vehicle lifts is required in accordance with manufacturer specifications. Lifts shall be maintained in good working condition. Lifts shall be maintained through either a maintenance contract or self-performance and they may be inspected by the City of El Segundo.

h. Loading Spaces: Two small truck loading spaces (as defined in ESMC Section 15-15-7 are required in the PCC Mixed-Use 1 (PCC MU-1) land use district to serve the multiple-family residential and commercial uses. Two small truck loading spaces are required in the PCC Mixed-Use 2 (PCC MU-2) land use district to serve the multiple-family residential and commercial uses. One small truck loading space is required for the commercial uses in the PCC Commercial-3 (PCC COM-3) land use district.

i. Parking Space Dimensions (for All Residential and Commercial Uses): All standard parking spaces must be a minimum of 8'-6" in width by 18'-0" in length. All compact parking spaces must be a minimum of 8'-6" in width by 15'-0" in length.

j. Off-site parking and off-site loading is permitted. The parking and loading spaces must be located on private property within the boundary of the Specific Plan area it serves unless otherwise approved by the Planning Commission. A written agreement must be executed by all parties concerned, and recorded to the satisfaction of the Director of Development Services and the City Attorney assuring the continued availability of the number of parking spaces and loading spaces located off-site. Reciprocal access easements or covenants must be recorded for contiguous lots before issuance of a building permit and must be shown or noted on the applicable site plans.

k. Parking lots and driveways may straddle lot lines subject to provisions in a reciprocal parking and access easement or covenant. Driveways that connect parking lots with a right-of-way may encroach into a required landscape setback. Such documents must provide provisions for shared maintenance.

2. Preferential parking must be provided for carpools and vanpools.

3. Bicycle parking and EV Charging must comply with the stricter of ESMC Chapters 15-15 and 15-16 or Cal Green Code.

E. LANDSCAPING

This section will ensure that adequate landscaping area and permanent maintenance is provided for the development.

Landscaped areas must be provided and permanent irrigation systems installed in the landscaped areas at: 1) around the perimeter of the buildings in the setbacks, 2) within the required setbacks along the property perimeter and, 3) in the Vehicular Use Areas (VUAs) as defined in ESMC §15-1-6.

A Landscape Master Plan must be prepared for each sub-district of the Specific Plan area to ensure a unified appearance implementing the intent of the Design Guidelines and objectives of this Specific Plan. The Landscape Master Plan must be prepared by a licensed landscape architect and it must be submitted to the City concurrently with the first site plan review within the Specific Plan area.

ALL LANDSCAPING

1. Landscaping must conform to the City's Water Conservation in Landscaping requirements as set forth in ESMC Chapter 15-15A.

BUILDING PERIMETER LANDSCAPING

1. Except as otherwise allowed by this Plan, a minimum horizontal depth of five feet of landscape materials, excluding curbs, must be provided around each building except for entrances to buildings and any other required paved areas. In instances where two buildings are separated by ten feet, the landscape requirement may be reduced to allow for pedestrian walkways/access.

PROPERTY PERIMETER LANDSCAPING

1. Landscaping must be provided in all property perimeter areas except where buildings, driveways, pedestrian walkways, driveway visibility and corner clearance areas are located. One shade tree must be provided for every 25 feet of street frontage where landscaping is provided. One shade tree must be provided for every 25 feet along interior property lines where landscaping is provided in the PCC Mixed-Use 2 (PCC MU-2) land use district. Trees are not required to be evenly spaced.

2. The following encroachments are permitted into the landscaped setback areas:

    a. "Architectural landscape features" including fountains, water features and waterfalls, free-standing arbors/pergolas, and similar features, may encroach into the landscaped setback area subject to site plan review, provided a minimum landscaped setback of three feet is maintained. The features may cover a maximum of twenty-five percent of the total area of the setback and be a maximum of twenty feet in height.

VEHICULAR USE AREAS

1. Vehicular Use Areas (VUA) include surface parking lots. Landscaping in the VUAs must cover a minimum of five percent of the VUA and be distributed throughout the VUA for any new surface parking lots. Such landscaping is in addition to the required property perimeter and building perimeter landscaping.

    a. Planting areas containing trees must have a minimum width of 5 feet except

for existing planting areas. Trees are required to provide shade.

MINIMUM SIZES FOR PLANT MATERIAL

1. The minimum tree container size for all trees on site shall be provided as follows:

a. At least twenty percent (20%) of the trees must be thirty-six inch (36") box size or larger.

b. At least thirty percent (30%) of the trees must be twenty-four inch (24") box size or larger.

c. The remaining fifty percent (50%) must be fifteen (15) gallon size or larger.

d. The Director of Development Services may approve smaller tree container sizes than required based on site conditions, however no tree may be smaller than a fifteen (15) gallon size.

2. Shrubs must be planted from a minimum five (5) gallon size container. One (1) gallon size containers may be allowed for shrubs that are not commonly available in five (5) gallon size containers, subject to approval by the Director of Development Services.

F. COMMON RECREATION FACILITIES/OPEN SPACE AND PRIVATE OPEN SPACE

Common recreation facilities/open space and private open space are required for multiple-family residential uses in the PCC Mixed-Use 1 and PCC Mixed-Use 2 districts. Common recreation facilities/open space are not required for the townhomes.

Common recreation facilities/open space are facilities that are accessible to all multiple-family residential unit occupants. Common recreation facilities may include indoor and/or outdoor areas. Indoor areas may include, but are not limited to, gyms or fitness areas, indoor pools, indoor spas and saunas, multi-purpose recreation and community rooms and similar facilities.

Private open space includes decks, patios and balconies that are accessible from the multi-family residential unit or townhome unit and exclusively devoted to that unit. There is no requirement to provide private open space for each multiple-family residential unit, however, any private open space that is provided must meet minimum dimensions. In order to count towards these requirements, the minimum dimensions for any private open space shall be 5 feet in width by 5 feet in length.

Multiple-family residential units must provide an average of 100 square feet per unit in combined common recreation facilities/open space and private open space. Townhomes must provide a minimum of 100 square feet of total private open space. In order to count towards these requirements, the minimum dimensions of private open space for townhome units shall be 5 feet in width by 5 feet in length.

G. PUBLIC SAFETY

In an effort to ensure the safety of residents, employees and visitors to the Pacific Coast Commons Specific Plan area, the following strategies must be incorporated into site development:

1. Lighting must be adequate throughout the Specific Plan area and shielded to minimize off-site illumination. Submittal of photometric studies is required as part of any site plan review submittal which includes parking lots, and parking structures in the Specific Plan area.

2. The site design and operation must comply with fire and police safety regulations with regard to site layout, building configurations, landscape design, and infrastructure requirements.

3. Street lighting must be provided in accordance with ESMC requirements.

H. SIGNAGE

1. Signage within the Specific Plan area must conform to the signage regulations of ESMC Chapter 15-18 except as established and approved in a Master Sign Program for each land use district in the Specific Plan. The existing Master Sign Program for the existing buildings in the Specific Plan area (for the Aloft and the Fairfield Inn and Suites hotels) remains in effect and is excluded from the Master Sign Program requirements for the new development.

2. Section 15-18-3 shall apply relating to exempt signs.

3. Neon signage is not permitted on any building façades facing west in the PCC Mixed-Use 1 land use district or on any building façade facing west in the PCC Commercial-3 land use district. Neon signage is not permitted on the Palm Avenue street frontage or on any building facades facing west in the PCC Mixed-Use 2 land use district between Mariposa and Palm Avenues or along the Palm Avenue.

4. The following signs are not permitted within the Specific Plan:

    - Balloons or other inflated devices or signs used in conjunction with commercial premises for commercial purposes; unless allowed by a temporary sign permit
    - Beacon signs
    - Billboards, as defined in the ESMC
    - Pole signs
    - Signs incorporating flashing or blinking lights
    - Signs that flash, rotate, pulsate or otherwise move in a way to create a traffic hazard
    - Signs that emit sounds, odor or visible matter such as smoke or steam
    - Strobe lights used in signs; and

- Trailer or portable signs except for sandwich board signs for restaurants.

5. A Master Sign Program for each land use district in the Specific Plan area must be developed and submitted for review and approval by the Director of Development Services concurrent with the first site plan review in that land use district within the Specific Plan. The Master Sign Program must include the following elements:

    - Master signage (entryways, common sign design throughout the Specific Plan area);
    - Sign standards developed for the mixed-use multiple-family residential and commercial development;
    - Provisions for wayfinding and decorative elements such as banners;
    - General features that all signs are required to comply with; and
    - Regulations for temporary signs (including construction signs).

I. SUSTAINABILITY

1. All new development must have buildings designed to be energy efficient to meet or exceed Title 24 requirements.

2. The Project parking lot areas must include storm water management practices that treat storm water runoff in compliance with the ESMC and all applicable law.

3. Bicycle parking must comply with the ESMC and Cal Green Code.

4. Exterior lighting must be energy efficient and designed to minimize light pollution.

5. Low-emitting building materials must be utilized.

6. Roof structures of new buildings must be designed to support solar panels.

7. Reclaimed water must be utilized for all landscaped areas if available and feasible.

J. ENCLOSED AND UNENCLOSED USES

All uses must be conducted wholly within an enclosed building or structure except for the following:

1. Mechanical equipment provided they comply with the requirements of ESMC § 15-2-8.

2. Outdoor restaurants and cafes incidental to the permitted use, provided they comply with the provisions of ESMC § 15-2-16.

3. Recreation facilities customarily conducted in the open (including but not limited to pools and play equipment).

4. Outdoor private common area for residential developments.

5. Wireless communications facilities (including antennas, and dishes) provided they comply with the requirements of ESMC Chapter 15-19 subject to applicable law.

K. NON-CONFORMING USES AND BUILDINGS

Any existing uses, buildings, structures, parking areas, landscaping and signage located in the PCC Commercial-1 (PCC COM-1), PCC Commercial-2 (PCC COM-2), and PCC Commercial-3 (PCC COM-3) that become non-conforming at the time of adoption of this Specific Plan will be permitted to remain.

Until such time as building permits are issued for development of the Specific Plan, the existing food and beverage building may continue to be used for commercial, restaurant and meeting spaces.

VII. ADMINISTRATION

A. INTRODUCTION

Unless regulated by this Specific Plan, development will be administered and enforced by the City in accordance with the ESMC. This Specific Plan supersedes any conflicts with ESMC zoning regulations.

1. The Director of Development Services may grant administrative use permits in accordance with ESMC Chapter 15-22.

2. The Director of Development Services may make other administrative determinations using the same procedures set forth in ESMC Chapter 15-22.

3. The Director of Development Services may grant adjustments in accordance with ESMC Chapter 15-22.

4. The Planning Commission may grant conditional use permits in accordance with ESMC Chapter 15-24.

5. The Director of Development Services may grant off-site parking covenants between parcels within the Specific Plan area in accordance with ESMC Chapter 15-15.

6. The Director of Development Services may grant modifications to the number of parking spaces as determined in a parking demand study in accordance with Section VID of this Plan and ESMC Chapter 15-15.

B. MUNICIPAL CODE REFERENCES

All section references in the Specific Plan refer to the El Segundo Municipal Code (ESMC) as adopted at the time of Specific Plan approval.

C. MODIFICATIONS

1. Major Modifications

The following modifications constitute a Major Modification and require an amendment to this Specific Plan:

a. Any decrease in the required building setbacks as set forth in Section VI.B.3 above;

b. Any increase in the total developable square footage of the entire Specific Plan in excess of the maximum allowable development intensity allowed under the Specific Plan;

c. Any increase in height of buildings or structures on the Property above 5 feet;

d. Any change in use to a use which is not permitted under the Specific Plan, except as approved by the Director in accordance with Chapter 15-22 of the ESMC;

e. Any change in the land use plan categories identified in Exhibit 5 of this plan;

f. Any decrease in the minimum required lot area;

g. Any decrease in the minimum required lot frontage;

h. Any material modification that requires modification to the EIR other than an Addendum; and

i. Any modification deemed by the Director of Development Services as a major modification and requiring amendment to this Specific Plan.

2. Minor Modifications

Any modification to this Specific Plan not listed above as a "major modification," including a use approved subject to an Administrative Use Permit, is a Minor Modification. The Developer may make Minor Modifications without amending this Specific Plan upon the administrative approval of the Director of Development Services or designee, provided that such modifications are consistent with the Development and Design Standards, Applicable Rules, and Project Approvals. Such Minor Modifications may include:

- Modifications to infrastructure sizing based upon final engineering plans approved by the City.

- Adjustments, Administrative Determinations subject to the requirements in Section VII.A, above.

D. SITE PLAN REVIEW

1. Overview

In order to develop a Project that is in conformance with the uses, density, approved FAR, and Design Guidelines of this Specific Plan, a Site Plan Review ("SPR") application shall be filed with the Development Services Department in accordance with ESMC Chapter 15-

25 except as specified below.

2. Site Plan Review - Procedure

a. The Director of Development Services may extend the Site Plan approval for up to two additional years for good cause upon written request of the applicant received prior to expiration of the site plan approval.

b. After the Site Plan is approved, the Director of Development Services may approve minor changes in the Site Plan or its conditions if the Director finds that there are practical reasons for such changes, that such changes do not substantially vary from the previously approved site plan and applicable law and that such changes do not involve deviations from the design's intent.

3. Exempt Activities

The following is a list of activities which are exempt from the site plan review process. This list is not all-inclusive; the Director of Development Services may exempt other activities not listed:

a. All interior changes and alterations

b. Exterior mechanical equipment (heating, air conditioning, water heater, transformers) designed with mechanical equipment screening compatible with the architecture of the building to which it is adjacent or affixed.

c. Minor exterior repairs with the same or similar types of building materials as determined by the Director of Development Services.

d. Minor surface parking area changes and restriping of parking stalls.

e. Re-glazing new mullions.

f. Re-landscaping consistent with the landscape palette.

g. Repainting.

h. Reroofing with similar style roofing materials.

E. AMENDMENT

In accordance with the Government Code §§ 65450-65457, Specific Plans must be prepared, adopted and amended in the same manner as General Plans except that Specific Plans may be adopted by resolution or by ordinance.

This Specific Plan may be amended as necessary by ordinance. Said amendment or amendments do not require a concurrent General Plan amendment unless the Director of Development Services

determines that the proposed amendment would substantially affect General Plan goals, policies, objectives or programs.

F. INFRASTRUCTURE IMPROVEMENTS/COORDINATION

The developer and/or property owner shall be responsible for making transportation and infrastructure utility improvements required by the Pacific Coast Commons Specific Plan. All improvements shall be to the specifications of the City of El Segundo Development Services Department, Public Works Department, and/or other applicable departments.

G. FINANCING MEASURES

Implementation and financing of improvements of the Pacific Coast Commons Specific Plan depend exclusively on private investment and development. The developer and/or property owner shall be responsible for financing the project, including all improvements and mitigation measures.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

The Pacific Coast Commons Specific Plan and related entitlements were approved in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines (Guidelines), and City policies adopted to implement the CEQA and the Guidelines.

An Environmental Impact Report was prepared and certified by the City Council which establishes the development thresholds shown in Table VII-1 below.

Table VII-1
California Environmental Quality Act Compliance

EIR Project	Floor Area
The Specific Plan, including the Conceptual Site Plan and Application Materials evaluated within the EIR document.	340,000 gross square feet (new development in Specific Plan)

The existing development located in the Pacific Coast Commons Specific Plan area totals 324,058 gross square feet (Fairfield Inn and Suites hotel is 217,311 gross square feet and the Aloft hotel is 106,747 gross square feet). A portion of the Fairfield Inn and Suites hotel will be demolished. More specifically, the 41,660 square-foot 2-story "food and beverage" building (that contains banquet room facilities, a restaurant and storage uses located at the southwest corner of Pacific Coast Highway and Mariposa Avenue) will be demolished leaving 282,398 square feet of existing development to remain within the Pacific Coast Commons Specific Plan area. The CEQA clearance indicated above analyzes the effects of a maximum of 340,000 gross square feet of new incremental development per the Specific Plan. Based upon the maximum allowable floor area in each land use district, the 340,000 square feet will be comprised of 150,000 gross square feet in the "PCC South" development site (PCC Mixed-Use 1 District), 5,000 gross square feet in the "Fairfield Parking" site (PCC COM-3 District), and 185,000 gross square feet in the "PCC North"

site (PCC Mixed-Use 2 District). The Development Project depicted in the Conceptual Site Plan includes 327,068 gross square feet of new development that will occur after the demolition of the existing 41,660 gross square-foot 2-story "food and beverage" building. The demolition of the 41,660 gross square-foot "food and beverage" building will reduce the existing Fairfield Inn and Suites Hotel to 175,651 gross square feet in size.

APPENDIX A

PACIFIC COAST COMMONS SPECIFIC PLAN LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 4139-025-075)

LOT 428 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: 4139-025-073, 074, 076, 081)

LOTS 385, 386, 387, 429 AND 430 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 4139-025-091)

LOTS 382, 383, 384, 431, 432 AND 433 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM PARCELS 1 AND 2, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM, GAS, ASPHALTUM, OTHER HYDROCARBONS AND OTHER MINERALS AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN, OR WITHDRAWING THEREFROM GAS, OIL, OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING, OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL

COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 AS INSTRUMENT NO. 480 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 4: (portion of APN: 4139-024-057)

THE WESTERLY 60 FEET OF LOTS 2 AND 9 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: 4139-024-058)

LOTS 1, 2, 9 AND 10 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 60 FEET OF SAID LOTS 2 AND 9.

ALSO EXCEPT THEREFROM THE NORTHERLY 181.00 FEET OF SAID LOTS 1 AND 2.

ALSO EXCEPT THE SOUTH 147.03 FEET OF LOT 10.

ALSO EXCEPT THEREFROM ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM AND OTHER HYDROCARBONS, AND OTHER MINERALS IN AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN OR WITHDRAWING THEREFROM GAS, OIL OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 6: (portion of APN: 4139-024-057)

A PARCEL OF LAND SITUATED IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 113 OF EL SEGUNDO, AS PER MAP RECORDED IN BOOK 20, PAGES 114 THROUGH 115, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF TRACT NO. 48436, AS PER

MAP RECORDED IN BOOK 1180, PAGES 68 THROUGH 69, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58’ 36” EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58’ 36” EAST 13.19 FEET; THENCE SOUTH 00° 03’ 15” WEST 181.00 FEET; THENCE NORTH 89° 58’ 36” WEST 13.11 FEET; THENCE NORTH 00° 01’ 50” EAST 181.00 FEET TO THE TRUE POINT OF BEGINNING.

APN: 4139-025-057 thru 4139-025-058, 4139-025-073 thru 4139-025-076, 4139-025-081, 4139-025-091

EXHIBIT "C"

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

EXEMPT FROM RECORDER'S FEES
Pursuant to Government Code § 6103

DEVELOPMENT AGREEMENT
BY AND AMONG
THE CITY OF EL SEGUNDO
AND
BRE EL SEGUNDO PROPERTY OWNER A LLC,
BRE EL SEGUNDO PROPERTY OWNER B LLC,
AND
BRE EL SEGUNDO PARKING LLC

THIS AGREEMENT SHALL BE RECORDED WITHIN TEN DAYS OF EXECUTION BY ALL PARTIES HERETO PURSUANT TO THE REQUIREMENTS OF GOVERNMENT CODE §65868.5

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DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is made and entered into by and among the CITY OF EL SEGUNDO, a municipal corporation (referred to hereinafter as "City") and BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, all Delaware limited liability companies (hereinafter collectively referred to as "BRE" or "Developer") as of this 19th day of April, 2022. City and Developer are referred to hereinafter individually as "Party" and collectively as "Parties". In consideration of the mutual covenants and agreements contained in this Agreement, City and Developer agree as follows:

1. Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Agreement. Words and phrases not defined in this Section will have the meaning set forth in this Agreement, the El Segundo Municipal Code, or in common usage.

"Applicable Rules" means:

- The El Segundo General Plan, as it existed on the Approval Date, as modified by the Project Approvals;
- The El Segundo Municipal Code, as it existed on the Approval Date, as modified by the Project Approvals;
- Such other laws, ordinances, rules, regulations, and official policies governing permitted uses of the property, density, design, improvement, development fees, and construction standards and specifications applicable to the development of the Property in force at the time of the Effective Date, which are not in conflict with this Agreement.

"Approval Date" means April 19, 2022, the date on which the last of the Project Approval applications was approved by the City.

"Approved Plans" means a plan for any aspect of the Project, including, without limitation, the Site Plan, signage plans, and landscaping and irrigation plans, which are approved by the City in accordance with the Applicable Rules, and Project Approvals.

"Building Regulations" means those regulations set forth in Title 13 of the ESMC.

"CEQA" means the California Environmental Quality Act, Public Resources Code § 21000 *et seq.*

"CEQA Guidelines" means the regulations implementing CEQA which have been adopted by the State and found at Title 14 of the California Code of Regulations, § 150000 *et seq.*

"City Council" means the City Council of the City of El Segundo.

"Developer" means BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, and their transferees, assigns and successors in interest.

"Development Standards" means the design and development standards that are applicable to the Project as set forth in the Specific Plan.

"Director" means the Director of Development Services, or his designee.

"Effective Date" means the date on which the Enabling Ordinance becomes effective in accordance with Government Code § 36937.

"ESMC" means the El Segundo Municipal Code.

"Enabling Ordinance" means Ordinance No. 1635, approving this Development Agreement.

"Future Approvals" means such subsequent discretionary and ministerial entitlements, including permits, which are required to develop the Project in addition to the Project Approvals, and which are applied for by the Developer and approved by the City. Once approved, a Future Approval becomes part of the Project Approvals.

"Party" means the City or the Developer. "Parties" shall mean both the City and the Developer.

"Person" means a natural person or any entity.

"Project" means the development of the Property in accordance with the Project Approvals.

"Project Approvals" means:

- Final Environmental Impact Report (FEIR) No. EA–1248, as certified by Resolution No. 5319 on March 15, 2022;
- Mitigation Monitoring Program for FEIR No. EA-1248, as adopted by Resolution No. 5319 on March 15, 2022;
- General Plan Amendment No. GPA 19-01, as approved by Resolution No. 5319 on March 15, 2022, including a change in the Land Use Map;
- Pacific Coast Commons Specific Plan No. SP 19-01, as adopted by Ordinance No. 1635 on April 19, 2022;
- Zone Change No. ZC 19-01, as approved by Ordinance No. 1635 on April 19, 2022, including a change in the Zoning Map;
- Zone Text Amendment No. ZTA 19-08, as approved by Ordinance No. 1635 on April 19, 2022;
- Vesting Map No. 82806, as approved by Resolution No. 5319 on March 15, 2022;

- Site Plan Review No. SPR 19-01, as approved by Resolution No. 5319 on March 15, 2022;

- This Development Agreement (DA No. 19-02) as approved by Ordinance No. 1635 on April 19, 2022;

- Modification of Resolution Nos. 2759 and 2760 to rescind the previous approvals SUB NO. 14-05, Lot Tie Covenant No. 14-03, Off-Site Parking Covenant Nos. MISC 14-03 and 14-06, leaving in place CUP No. 14-01 for the Fairfield Inn and Suites Hotel and CUP NO. 14-02 for the Aloft Hotel, along with alcohol service at both hotels with modification to the conditions of approval accordingly;

- Parking Demand Study and Shared Parking Analysis to establish the parking requirements for the proposed commercial and residential development combined with the existing hotel development;

- Shared Parking Agreement in conjunction with the Parking Demand Study and Shared Parking Analysis, to replace the previous approval of Off-Site Parking Covenant Nos. MISC 14-03 and MISC 14-06; and

- Reciprocal Access Agreements for driveways and drive aisles accessing multiple parcels.

"Property" refers to that approximate 9 acres which is described in Exhibit A, attached hereto and incorporated herein by reference.

"Specific Plan" or "PCCSP" means the Pacific Coast Commons Specific Plan.

"Subsequent Rules" means any changes to the Applicable Rules, including, without limitation, any change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City Council, the Planning Commission or any other board, agency, commission or department of the City, or any officer or employee thereof, or by the electorate, which would, absent this Agreement, otherwise apply to the Property.

"Transferee" means a Person which assumes in whole or in part the rights and obligations under this Agreement with respect to all or a portion of the Property.

2. Recitals. This Agreement is made with respect to the following facts and for the following purposes, each of which is acknowledged as true and correct by the Parties:

2.1 Pursuant to Government Code § 65865 *et seq*., the City is authorized to enter into a binding contractual agreement with any person having a legal or equitable interest in real property for the development of such property.

2.2 Developer warrants that it is the owner of the Property.

2.3 Developer desires to redevelop the Property in accordance with the Project Approvals.

2.4 By this Agreement, each Party desires to obtain the binding agreement of the other Party to develop the Property in accordance with the Project Approvals, Applicable Rules and this Agreement. In consideration thereof, the City agrees to limit the future exercise of certain of its governmental and proprietary powers to the extent specified in this Agreement.

2.5 City and Developer have acknowledged and agreed that the consideration that is to be exchanged pursuant to this Agreement is fair, just and reasonable.

2.6 The Project is consistent with the City's General Plan, as amended (the "General Plan").

2.7 Development of the Project has, and will continue to, further the comprehensive planning objectives contained within the General Plan, and will result in public benefits, including, among others, the following:

2.7.1 Providing needed housing, including thirty-two units of affordable housing;

2.7.2 Providing both short-term construction employment and long-term permanent employment within City;

2.7.3 Providing a dedicated right-turn only lane on east bound Mariposa Avenue to southbound Pacific Coast Highway; and

2.7.4 Those other items which Developer has agreed to as set forth in Section 5.

2.8 On February 10, 2022, the Planning Commission of the City commenced a duly noticed public hearing on the Project Approvals. At the conclusion of the hearing the Planning Commission recommended that the City Council approve the Project Approvals.

2.9 On March 15, 2022, the City Council commenced a duly noticed public hearing on the Project Approvals. Prior to approving this Agreement by the Enabling Ordinance, the City Council adopted Resolution No. 5319 approving the FEIR.

2.10 All of the Property is subject to this Agreement.

3. Binding Effect. The burdens of this Agreement are binding upon, and the benefits of the Agreement inure to the City and the Developer and each successive transferee, assign and successor in interest thereto and constitute covenants that run with the land. Any and all rights and obligations that are attributed to the Developer under this Agreement shall run with the land. For purposes of this Agreement, until such time as any portion of the Property may be transferred, BRE El Segundo Property Owner A LLC, BRE El Segundo Property Owner B LLC, and BRE El Segundo Parking LLC, shall be jointly and severally liable for all obligations set forth in this Agreement. In the case of a partial transfer, Developer may identify which of the three BRE entity or entities remain liable for any obligations remaining with Developer.

3.1 Constructive Notice and Acceptance. Every person who acquires any right, title or interest in or to any portion of the Property in which the Developer has a legal interest is, and shall be, conclusively deemed to have consented and agreed to be bound by this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest.

3.2 Rights to Assign and Transfer. Developer may assign or transfer its rights and obligations under this Agreement with respect to the Property, or any portion thereof, to any person at any time during the term of this Agreement without approval of the City. For purpose of this Agreement, the Transferee must be considered the "owner" of that portion of the Property which is covered by such transfer.

3.3 Liabilities Upon Transfer. Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Property, Developer will be released from its obligations under this Agreement with respect to the Property, or portion thereof, so transferred arising subsequent to the effective date of such transfer, if: (i) Developer has provided to the City prior or subsequent written notice of such transfer; and (ii) the Transferee has agreed in writing to be subject to all of the provisions hereof applicable to the portion of the Property so transferred by executing an Assignment and Assumption Agreement in the form of Exhibit B attached hereto and incorporated herein by reference. Upon any transfer of any portion of the Property and the express assumption of Developer's obligations under this Agreement by such Transferee, the City agrees to look solely to the Transferee for compliance by such Transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such Transferee. Any such Transferee shall be entitled to the benefits of this Agreement as "Developer" hereunder and shall be subject to the obligations of this Agreement applicable to the parcel(s) transferred. A default by any Transferee shall only affect that portion of the Property owned by such Transferee and shall not cancel or diminish in any way Developer's rights hereunder with respect to any portion of the Property not owned by such Transferee. The Transferee shall be responsible for satisfying the good faith compliance requirements set forth in Section 8 below relating to the portion of the Property owned by such Transferee, and any amendment to this Agreement between the City and a Transferee shall only affect the portion of the Property owned by such Transferee.

3.4 Resumption of Rights. If Transferee defaults with respect to any provision of this Agreement, Developer may, but is not obligated to, resume Transferee's obligations upon written notification to City.

4. Development of the Property. The following provisions, in addition to the Applicable Rules, shall govern the development of the Project.

4.1 Permitted Uses, Design and Development Standards, and Dedication of Land for Public Purposes. The permitted, administratively permitted, and conditionally permitted uses of the Property as well as the Development Standards and provisions for reservation or dedication of land for public purposes are set forth in the Project Approvals and Applicable Rules.

4.2 Entitlement to Develop. The Developer is granted the vested right to develop the Project subject to the Applicable Rules, the Project Approvals, and any Future Approvals.

4.3 Building Regulations. Notwithstanding Section 4.4 below, all construction on the Property shall adhere to the Building Regulations in effect at the time an application for a building permit is submitted and to any federal or state building requirements that are then in effect at such time. Additionally, nothing in this Agreement prevents the City from applying "standard specifications" for public improvements (e.g., streets, storm drainage, parking lot standards, driveway widths), as the same may be adopted or amended from time to time by the City, provided that the provisions of any such standards and specifications apply only to the extent they are in effect on a Citywide basis and do not conflict with the provisions of the Specific Plan.

4.4 Subsequent Rules. Subsequent Rules cannot be applied by the City to the Project unless the Developer gives the City written notice of its election to have such Subsequent Rule applied to the Project, in which case such Subsequent Rule is deemed to be an Applicable Rule.

4.5 Fees, Exactions, Mitigation Measures, Conditions, Reservations and Dedications.

4.5.1 Subject to sections 4.5.2, 4.5.3, and 5.2, all fees, exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Project are set forth in the Applicable Rules, the Project Approvals, and this Agreement.

4.5.2 Except as otherwise provided in this Agreement, and specifically excluding fees set by entities not controlled by the City that are collected by the City, the City can only charge and impose those fees and exactions, including, without limitation, dedication and any other fee relating to development or the privilege of development, which are in effect on a City-wide basis as of the Effective Date.

4.5.3 The Developer must pay the amount of the impact fees that are in effect at the time of application for the building permit pursuant to City Council Resolution Nos. 4443 and 4687, or such subsequent resolutions as may be adopted by the City Council in accordance with applicable procedures, but shall not be required to pay any new impact fees that are not in effect at the time of Project Approvals.

4.5.4 This Section shall not be construed to limit the authority of the City to charge normal and customary application, processing, and permit fees, including legal and environmental processing costs, for land use approvals, building permits and other similar permits, for Future Approvals, which fees are designed to reimburse City's actual expenses attributable to such application, processing and permitting and are in force and effect on a City-wide basis at such time as applications for such approvals are filed with the City.

4.6 Use of Easements. Notwithstanding the provisions of the Applicable Rules, easements dedicated for vehicular and pedestrian use shall be permitted to include easements for underground drainage, water, sewer, gas, electricity, telephone, cable, and environmental remediation and other utilities and facilities so long as they do not unreasonably interfere with pedestrian and/or vehicular use.

4.7 Timing of Development. In *Pardee Construction Co. v. City of Camarillo* (*Pardee*), 37 Cal.3d 465 (1984), the California Supreme Court held that the failure of the parties therein to provide for the timing or rate of development resulted in a later-adopted initiative restricting the rate

of development to prevail against the parties' agreement. City and Developer intend to avoid the result in *Pardee* by acknowledging and providing that Developer shall have the right, without obligation, to develop the Property in such order and at such rate and times as Developer deems appropriate within the exercise of its subjective business judgment subject to the terms of this Agreement.

In furtherance of the Parties' intent, as set forth in this Section, no future amendment of any existing City ordinance or resolution, or future adoption of any ordinance, resolution or other action, that purports to limit the rate or timing of development over time or alter the sequencing of development phases, whether adopted or imposed by the City Council or through the initiative or referendum process, shall apply to the Property. However, nothing in this Section shall be construed to limit City's right to enforce Developer's obligation pursuant to this Agreement to provide all infrastructure required by the Project Approvals and this Agreement.

4.8 Moratorium.

4.8.1 The City shall not impose a moratorium on the Property that restricts development of the Project unless such is necessary to protect against a significant threat to the health, safety and welfare of the City.

4.8.2 Except as provided in Section 4.8.1 above, no City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Project, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates, or other entitlements to use or service (including, without limitation, water and sewer), approved, issued or granted within the City, or portions of the City, applies to the Project to the extent such moratorium or other limitation is in conflict with this Agreement. However, the provisions of this Section do not affect the City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria or other limitations.

4.9 Term. This Agreement shall be in effect for a period of 15 years from the Effective Date of the Enabling Ordinance. However, the Developer or the City shall be entitled to, by written notice to the other Party prior to the Agreement's expiration, one (1) five (5)-year extension, provided that the requesting Party is not in material default of this Agreement at such time beyond any applicable period to cure provided for by Section 8.5 below. Before the expiration of the five (5) year extension, the Parties may mutually agree to further extensions. In the event of litigation challenging this Agreement, the Term is automatically suspended for the duration of such litigation and resumes upon final disposition of such challenge and any appeal thereof upholding the validity of this Agreement. In the event that a referendum petition concerning this Agreement is duly filed in such a manner that the ordinance approving this Agreement is suspended, then the Term is deemed to commence upon City Council certification of the results of the referendum election approving this Agreement.

4.10 Term of Map(s) and Other Project Approvals. Pursuant to California Government Code Sections 66452.6(a) and 65863.9, the term of any subdivision or parcel map that has been or in the future may be processed on all or any portion of the Property and the term of each of the Project

Approvals shall be extended for a period of time through the scheduled termination date of this Agreement as set forth in Section 4.9 above, including any extensions thereto.

4.11 Future Approvals.

4.11.1 Minor Modifications to Project. The Developer may make minor changes to the Project and Project Approvals ("Minor Modifications") without the need to amend this Agreement upon the administrative approval of the Director.

(a) Minor Modifications include:

(i) A modification to the Site Plan approved by the Director in accordance with section VII.D.2 of the Specific Plan;

(ii) A modification to the Site Plan approved by the Planning Commission through the Site Plan Review procedure contained in ESMC Chapter 15-30, provided the change does not include any change which would qualify as a Major Modification under section 4.11.2 below;

(iii) A Minor Modification to the Specific Plan as identified in Section VII.C.2 thereof; and

(iv) Any other change that does not qualify as a Major Modification as defined below.

(b) The City shall not unreasonably withhold or delay approval of any Minor Modification. The City shall have the right to impose reasonable conditions in connection with Minor Modifications, provided, however, such conditions shall not be inconsistent with the Applicable Rules, the Project Approvals or with the development of the Project as contemplated by this Agreement.

(c) A Minor Amendment approved by the City shall continue to constitute a Project Approval as referenced herein.

4.11.2 Modifications Requiring Amendment to this Agreement. Any proposed modification to the Project which results in any of the following shall constitute a Major Modification and shall require an amendment to this Agreement pursuant to Section 14 below:

(a) Any change which constitutes a Major Modification to the Specific Plan as identified in Section VII.C.1 thereof; or

(b) Any change which creates a new environmental impact which cannot be mitigated to a level of insignificance.

4.12 Site Plan Review. Site Plan Review approval shall be required in accordance with Chapter 15-30 of the El Segundo Municipal Code. Nothing in this Agreement is intended to limit the applicability of the Site Plan Review requirement in Chapter 15-30 of the ESMC.

4.13 Issuance of Building Permits. No building permit, final inspection or Certificate of Occupancy will be unreasonably withheld, conditioned, or delayed from the Developer if all infrastructure required to serve the portion of the Property covered by the building permit, final inspection or Certificate of Occupancy is in place or is suitably guaranteed to be completed (by covenant, bond, letter of credit or otherwise) to the reasonable satisfaction of the City prior to completion of construction and all of the other relevant provisions of the Project Approvals, Future Approvals and this Agreement have been satisfied.

5. Developer Agreements.

The Property is divided up into the following five land use districts from south to north as shown on Exhibit C: PCC Mixed-Use 1(PCC South); PCC Commercial-1 (Aloft Hotel); PCC Commercial-2 (Fairfield Hotel); PCC Commercial-3 (Fairfield Parking); and PCC Mixed-Use 2 (PCC North).

5.1 General. The Developer shall comply with: (i) this Agreement; (ii) the Project Approvals, including without limitation all mitigation measures required by the determination made pursuant to the California Environmental Quality Act; and (iii) all Future Approvals for which it is the applicant or a successor in interest to the applicant.

5.1.1 In the event that any of the mitigation measures or conditions required of Developer hereunder have been implemented by others, Developer shall be conclusively deemed to have satisfied such mitigation measures or conditions, consistent with CEQA. If any such mitigation measures or conditions are rejected by a governmental agency with jurisdiction, the Developer may implement reasonably equivalent substitute mitigation, consistent with CEQA, to the City's satisfaction, in lieu of the rejected mitigation measures or conditions. Such substitution shall be deemed to be a Minor Modification pursuant to Section 4.11.1 above.

5.1.2 Except for dedications made with the recordation of Vesting Map No. 82806, all other dedications and improvements required as part of the Project Approvals shall be required concurrent with the development of the adjacent district, except as may otherwise be specified herein.

5.2 Affordable Housing. Developer shall provide a total of 15 affordable housing units in PCC South and 17 affordable units in PCC North to persons who qualify as low or very-low income households for 55 years as further detailed in accordance with the housing covenants to be recorded against the property as set forth in Exhibits D1 and D2 (Agreements Creating Affordable Housing Covenants [Including Rental Restrictions]), attached hereto. The recordation of the affordable housing covenants shall occur before the issuance of the first certificate of occupancy for each building.

Developer shall pay for actual costs of an independent third-party affordable housing consultant, chosen by the City, to provide income limit verification that meets the affordable housing requirements of this Section 5.2. The independent third-party consultant shall charge Developer rates that are competitive to the market area. Developer shall provide the necessary tenant documentation to the selected third-party affordable housing consultant.

5.3 Undergrounding of Utilities. All new utilities to and on the property shall be provided underground for each phase of the project. Existing utilities in the public rights-of-way surrounding each development phase are not required to be relocated underground.

5.4 Traffic Improvements.

5.4.1 Preferential Parking Zone. Developer shall provide $50,000 to the City for the costs to implement a preferential parking zone adjacent to the Project site. Formation of the preferential parking zone will be dependent upon a petition of residents pursuant to ESMC § 8-5A-5. If no preferential parking zone is established within 3 years of the first occupancy for PCC North or PCC South, whichever is the latter to be developed, the City may use any portion of the funds for improvements in the geographical vicinity of the Project site at its discretion. Such payment shall be made prior to the issuance of any building or grading permit, whichever is first, for any improvement in the Specific Plan area.

5.4.2 Additional Community Circulation Benefit. Six months after the project is fully occupied (90% or greater occupancy), the City may conduct a study of the traffic, circulation, and parking conditions adjacent to the project to evaluate potential measures regarding traffic, parking, speeding, bikeways and pedestrian safety. Potential improvements that could be implemented as identified in the study could include, but not be limited to, traffic controls, road signage, directional signage, curb painting, speed bumps, pedestrian crosswalks, safety measures, residential tenant transit subsidies, bicycle rentals, carpool incentives, ride match programs, and carshare programs. Any implementation of those measures as deemed appropriate by the City shall be funded by the Applicant, up to a total not-to-exceed amount of One Hundred Thousand Dollars ($100,000). This amount is in addition to, and separate from, the $50,000 applicant contribution towards implementation of a parking district. Any proposed measures that would be located on Pacific Coast Highway or at an intersection with Pacific Coast Highway that require review and approval by Caltrans shall only be implemented if Caltrans also approves the measure. Upon issuance of a certificate of occupancy for either PCC North or PCC South, Applicant must either deposit into an escrow account, or provide a letter of credit in favor of the City and in a form acceptable to the City Attorney, for an amount equal to the total not-to-exceed amount of the Additional Community Circulation Benefit.

5.5 Landscaping.

5.5.1 Landscaping Requirements.

5.5.1.1 No certificate of occupancy shall be issued for the development to which the requirement is tied until the improvements are made or Developer has provided appropriate bonds in a form satisfactory to the City Attorney.

5.5.1.2 All landscape and other improvements shall be substantially in conformance with the Landscape Plan approved with the Site Plan Review approval as to the number and location of trees and improvements.

5.5.1.3 All landscaping/improvement work identified in this section 5.5 shall occur with the development of the adjacent PCC area as identified below.

5.5.2 Indiana Street. Developer shall provide, in accordance with City standards and requirements, additional landscaping and trees on the west side of Indiana Street between Mariposa Avenue and Holly Avenue in existing landscaped areas with existing irrigation systems in place. Developer has no obligation to create new parkway areas or to install, operate, or maintain any required irrigation. The installation of this landscaping shall occur with the development of PCC South. Developer has no obligation to maintain the additional landscaping and trees after installation.

5.5.3 Pacific Coast Highways/Hotels. Developer shall provide single occupancy pedestrian seating and enhanced landscaping in the existing landscape areas in front of the Aloft Hotel and the Fairfield Hotel. Six single-occupant chairs shall be located in front of the Fairfield Hotel in the existing landscaped area and four single-occupant chairs shall be located in front of the Aloft Hotel in the existing landscaped area. This installation of the seating and landscaping will take place with the development of PCC South.

5.5.4 PCC North. Developer shall provide the following improvements with the development of PCC North.

5.5.4.1 Developer shall provide enhanced landscaping along the existing block wall on the western side of PCC North in the form of "climbing fig ivy".

5.5.5 PCC South. Developer will replace the existing street trees along the Pacific Coast Highway frontage of PCC south with six new street trees along the same frontage. In the event that Caltrans does not permit trees to be planted in the right-of-way, Developer will provide six additional trees on the PCC South site in a location to be approved by Community Services Director or his designee that is outside of the Caltrans right-of-way and the building footprint.

5.6 Enhanced Paving. Developer shall provide enhanced paving such as stamped or colored concrete, at the following locations: (i) PCC South entrances/exits on Indiana and Pacific Coast Highway; (ii) Fairfield Parking Structure entrance/exits on Pacific Coast Highway; and (iii) PCC North entrances/exists on Mariposa Avenue and Palm Avenue.

5.7 EV Charging Stations. Developer shall provide a total of 200 EV capable spaces, including a total of 50 installed EV chargers across the entire PCC Specific Plan area. A minimum of 50 EV capable spaces, including 20 EV chargers, shall be installed in each parking structure in PCC North and PCC South. A minimum of 20 EV capable spaces, including 8 EV chargers, shall be installed in the Fairfield Parking structure. The remaining 80 EV capable spaces, including 2 EV chargers may be distributed between the three structures without restriction.

5.8 Solar Panels and Battery Storage.

5.8.1 Developer shall install solar panels on the roofs of both PCC North and PCC South to generate sufficient power for their respective Common Area Power needs or generate the maximum power available from rooftop installed solar panels, whichever is less. "Common Area Power" shall be defined as all project power that does not serve a residential or commercial unit. City may, at Developer's expense, retain a third-party consultant to verify that the solar infrastructure proposed is consistent with this paragraph.

5.8.2 Developer shall comply with the battery storage system requirements consistent with the 2022 Building Energy Efficiency Standards (Title 24 Energy Code) for both PCC North and PCC South as adopted by the California Building Standards Commission prior to the effective date of the 2022 Code. If the City makes any amendments to this provision of the Building Code in accordance with law, Developer shall comply with any such amendments for building permits filed after the effective date of the amendments.

5.9 Fencing. Developer shall remove and replace all chain link fencing visible from the public right of way at the existing Aloft and Fairfield Hotel properties. The fencing will be replaced with decorative fencing and/or landscaping approved by the Development Services Department. The fencing shall be replaced at the time of development of PCC South or the Fairfield Parking, whichever occurs first.

5.10 Community Non-Profit Space.

5.10.1 Developer shall provide a minimum space of 1,000 square feet of community space to be located on the ground floor of the Fairfield parking structure.

5.10.2 For the first 10 years after issuance of the certificate of occupancy, non-profit groups registered located in the City of El Segundo shall have priority of using this space.

5.10.3 Non-profit groups shall be able to use this room without payment of any rental rate for the room, but may be required to pay set-up fees, clean-up fees, and any fees for additional services such as food and beverage service.

5.11 Development Fees. Subject to the provisions of Section 4.5 above, Developer shall pay the development fees in effect at the time of building permit application. The Developer shall be entitled to credits against the City's traffic mitigation fees to the extent off-site traffic improvements that are required by the Project Approvals are included in any subsequent traffic fee mitigation program adopted by the City pursuant to Government Code Section 66000, *et seq*. Such credits shall be based upon the actual audited costs and shall only be granted to the extent such improvements are constructed in accordance with all applicable state and local laws. The Developer waives any and all rights it may have to challenge development fees that are in effect at the time of the Effective Date and the City's right to amend its current development fees. However, the Developer retains the legal right to challenge the amount of any such amended or increased development fees to the extent such are not in compliance with the requirements of Government Code Section 66000, *et seq*. as well as its right to receive credits against such amended or increased fees.

5.12 Maintenance Obligations. Developer shall maintain all portions of the Property in its possession or control, and any improvements thereon, in a clean, neat and orderly manner. Except as specified herein, Developer shall also maintain any landscaping and bike racks placed in the public right of way. The Parties' respective maintenance obligations shall survive any termination or expiration of this Agreement.

5.13 Sales and Use Tax.

5.13.1 In the event the contract price for any work on the Project is valued at five million dollars ($5,000,000.00) or more, Developer agrees to report, on a State Board of Equalization Tax Return, any purchases of tangible personal property made in connection with the finishing of and/or installation of materials, or fixtures for the Project, when such purchases were made without sales or use tax due. Developer shall indicate the City as a registered job site location on the State Board of Equalization Tax Return. In such event, Developer shall also obtain a permit or a sub-permit from the State Board of Equalization indicating the City as the registered job site location, in accordance with Revenue and Taxation Code § 7051.3 or State Board of Equalization Compliance Policy and Procedure Manual § 295.060.

5.13.2 Developer further agrees that if Developer retains contractors or subcontractors to perform a portion of work in the Project, and said contracts or subcontracts are valued at five million dollars ($5,000,000) or more, said contracts or subcontracts shall contain the provisions set forth in Subsection (a) above.

5.13.3 The Director of Finance of the City is authorized to relieve Developer, and Developer's contractors and subcontractors, from the requirements set forth in this Section 5.7 upon proof to the reasonable satisfaction of the Director of Finance that Developer and/or its contractors or subcontractors have made good faith efforts to obtain said permit or sub-permits, but were denied the same by the State Board of Equalization.

6. City Agreements.

6.1 Expedited Processing. The City shall process, at Developer's expense, in an expedited manner all plan checking, excavation, grading, building, encroachment and street improvement permits, Certificates of Occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in accordance with the City's accelerated plan check process under the Applicable Rules. Without limiting the foregoing, if requested by Developer, the City agrees to utilize private planners and plan checkers (upon Developer's request and at Developer's cost) and any other available means to expedite the processing of Project applications, including concurrent processing of such applications by various City departments.

6.2 Processing Cooperation and Assistance. To the extent permitted by law, the City shall reasonably cooperate with the Developer in securing any and all entitlements, authorizations, permits or approvals which may be required by any other governmental or quasi-governmental entity in connection with the development of the Project or the Property. Without limiting the foregoing, the City shall reasonably cooperate with the Developer in any dealings with federal, state and other local governmental and quasi-governmental entities concerning issues affecting the Property. The City shall keep the Developer fully informed with respect to its communications with such agencies which could impact the development of the Property. The City must not take any actions to encourage any other governmental or quasi-governmental entities from withholding any necessary approvals and any such contrary actions on the part of the City must be considered a breach of this Agreement by City.

6.3 Processing During Third Party Litigation. The filing of any third party lawsuit(s) against the City or the Developer relating to this Agreement, the Project Approvals, any Future Approvals or to other development issues affecting any portion of the Property or the Project shall not hinder, delay or stop the development, processing or construction of the Project, approval of the Future Approvals, or issuance of ministerial permits or approvals should the Developer wish to proceed, unless the third party obtains a court order restraining the activity. The City must not stipulate to or cooperate in the issuance of any such order.

6.4 Performance of Director Duties. The City shall ensure that a person or persons are designated at all times to carry out the duties of the Director set forth in this Agreement.

7. Modification/Suspension.

7.1 Pursuant to Government Code Section 65869.5, in the event that any state or federal law or regulation, enacted after the Effective Date, precludes compliance with any provision of this Agreement, such provision shall be deemed modified or suspended to the extent practicable to comply with such state or federal law or regulation, as reasonably determined necessary by City. Upon repeal of said law or regulation or the occurrence of any other event removing the effect thereof upon the Agreement, the provisions hereof shall be restored to their full original effect.

7.2 In the event any state or federal resources agency (i.e., California Department of Fish and Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, Regional Water Quality Control Board/State Water Resources Control Board), in connection with its final issuance of a permit or certification for all or a portion of the Project, imposes requirements ("Permitting Requirements") that require modifications to the Project, then the parties will work together in good faith to incorporate such changes into the Project; provided, however, that if Developer appeals or challenges any such Permit Requirements, then the Parties may defer such changes until the completion of such appeal or challenge.

8. Demonstration of Good Faith Compliance.

8.1 Review of Compliance. In accordance with Government Code Section 65865.1, this Section 8 and the Applicable Rules, once each year, on or before each anniversary of the Effective Date ("Periodic Review"), the Development Services Director shall review the extent of the Developer's good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by the City of its obligations under this Agreement.

8.2 Good Faith Compliance. During each Periodic Review, the Developer shall demonstrate by written status report that, during the preceding twelve month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase "good faith compliance" shall mean that the Developer has demonstrated that it has acted in a commercially reasonable manner (taking into account the circumstances which then exist) and in good faith in and has substantially complied with the Developer's material obligations under this Agreement.

8.3 City Report - Information to be Provided to Developer. At least 14 days before the annual anniversary of the Effective Date, the City must deliver to the Developer a copy of all staff

reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public, and, to the extent practical, all related exhibits concerning such Periodic Review. This information shall be known as the "City Report."

8.4 Developer's Report. No later than the annual anniversary of the Effective Date, Developer must submit a written status report to the Director addressing the good faith compliance issue and any issues raised by the City Report provided to the Developer in accordance with section 8.3 above.

8.5 Notice of Non-Compliance; Cure Rights. If, after reviewing the Developer's Report, the Director reasonably concludes on the basis of substantial evidence that as to any parcel or parcels comprising the Property, Developer has not demonstrated that it is in good faith compliance with this Agreement, the Director may issue and deliver to the Developer a written Notice of Violation as set forth in Section 10 below.

8.6 Public Notice of Finding. Any appeal of the Director's determination (including any appeal by the Developer) must be filed within 20 days following such decision. Filing such an appeal tolls the cure period specified in the Notice of Violation. Notwithstanding Section 13.1, an appeal regarding the Notice of Violation shall be heard directly by the City Council at a duly-noticed public hearing and the City Council must issue a final decision. Developer retains the right to challenge the City's issuance of any final decision pursuant to Code of Civil Procedure § 1094.5 without complying with the procedures set forth in Section 10.4 below.

8.7 Failure of Periodic Review. The City's failure to review, at least annually, compliance by the Developer with the terms and conditions of this Agreement shall not constitute or be asserted by any Party as a breach by any other Party of this Agreement. If the City fails to provide the City Report by the Effective Date, Developer will be deemed to be in good faith compliance with this Agreement.

9. Excusable Delays. Performance by any Party of its obligations hereunder shall be excused during any period of "Excusable Delay," as hereinafter defined, provided that the Party claiming the delay gives notice of the delay to the other Party as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay shall mean delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including without limitation: (i) act of God; (ii) civil commotion: (iii) riot: (iv) strike, picketing or other labor dispute; (v) shortage of materials or supplies; (vi) damage to work in progress by reason of fire, flood, earthquake or other casualty; (vii) reasonably unforeseeable delay caused by a reasonably unforeseeable restriction imposed or mandated by a governmental entity other than City; (viii) litigation brought by a third party attacking the validity of this Agreement, a Project Approval, a Future Approval or any other action necessary for development of the Property; (ix) delays caused by any default by City or the Developer hereunder; or (x) delays due to the presence or remediation of hazardous materials. The term of this Agreement, including any extensions, shall be extended by any period of Excusable Delay.

10. Default Provisions.

10.1 Default. Either Party to this Agreement shall be deemed to have breached this

Agreement if it materially breaches any of the provisions of this Agreement and the same is not cured within the time set forth in a written notice of violation (the "Notice of Violation") from the non-breaching Party to the breaching Party, which period of time shall not be less than 10 days for monetary defaults, and not less than 60 days for non-monetary defaults from the date that the notice is deemed received, provided if the breaching Party cannot reasonably cure a non-monetary default within the time set forth in the notice, then the breaching Party shall not be in default if it commences to cure the default within such time limit and diligently effects such cure thereafter. If the City determines that a default may have occurred, the City shall give written notice to the Developer of its intention to terminate this Agreement and comply with the notice and public hearing requirements of Government Code Sections 65867 and 65868. At the time and place set for the hearing on termination, the Developer shall be given an opportunity to be heard. If the City Council finds based upon the evidence that the Developer is in breach of this Agreement, the City Council may modify this Agreement with the consent of the Developer or unilaterally terminate this Agreement. If Developer initiates a resolution of dispute in accordance with the provisions of Section 10.4 below within 60 days following the City Council's determination that Developer is in breach of this Agreement, the City Council's decision to modify or terminate this Agreement is stayed until the issue has been resolved through informal procedures, mediation, or court proceedings.

10.2 Content of Notice of Violation. Every Notice of Violation shall state with specificity that it is given pursuant to this Section of the Agreement, the nature of the alleged breach, (including references to the pertinent provisions of this Agreement), the portion of the Property involved, and the manner in which the breach may be satisfactorily cured. The notice shall be deemed given in accordance with Section 19 hereof.

10.3 Remedies for Breach. The Parties agree that the remedies for breach of this Agreement shall be limited to the remedies expressly set forth in this section. Developer's remedies for any breach of this Agreement by City shall be limited to injunctive relief and/or specific performance.

10.4 Resolution of Disputes. The City and the Developer agree to attempt to settle any claim, dispute or controversy arising from this Agreement through consultation and negotiation in good faith and in spirit of mutual cooperation. If those attempts fail, the dispute may be mediated by a mediator chosen jointly by the City and the Developer within 30 days after notice by one of the parties demanding non-binding mediation. Neither Party may unreasonably withhold consent to the selection of a mediator. The City and the Developer will share the cost of the mediation equally. The Parties may agree to engage in some other form of non-binding alternate dispute resolution ("ADR") procedure in lieu of mediation. Any dispute that cannot be resolved between the Parties through negotiation or mediation within two months after the date of the initial demand for non-binding mediation may then be submitted to a court of competent jurisdiction in the County of Los Angeles, California.

10.5 Attorney's Fees and Costs. Each Party to this Agreement agrees to waive any entitlement of attorney's fees and costs incurred with respect to any dispute arising from this Agreement. The parties will each bear their own attorney's fees and costs in the event of any dispute.

11. Mortgagee Protection. This Agreement shall not prevent or limit the Developer, in any manner, at Developer's sole discretion, from encumbering the Property or any portion thereof or any

improvements thereon by any mortgage, deed of trust or other security device. The City acknowledges that the lender(s) providing such financing ("Mortgagee") may require certain Agreement interpretations and agrees, upon request, from time to time, to meet with the Developer and representatives of such lender(s) to provide within a reasonable time period the City's response to such requested interpretations. The City will not unreasonably withhold its consent to any such requested interpretation, provided that such interpretation is consistent with the intent and purposes of this Agreement. Any Mortgagee of a mortgage or a beneficiary of a deed of trust or any successor or assign thereof, including without limitation the purchaser at a judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Property shall be entitled to the following rights and privileges:

11.1 Mortgage Not Rendered Invalid. Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish, or impair the priority of the lien of any mortgage or deed of trust on the Property made in good faith and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform the Developer's obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

11.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, who has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive a copy of any Notice of Violation delivered to the Developer.

11.3 Mortgagee's Time to Cure. The City shall provide a copy of any Notice of Violation to the Mortgagee that has requested such copy within ten days of sending the Notice of Violation to the Developer. The Mortgagee shall have the right, but not the obligation, to cure the default for period of 60 days after receipt of such Notice of Violation, or such longer period of time as may be specified in the Notice. Notwithstanding the foregoing, if such default shall be a default which can only be remedied by such Mortgagee obtaining possession of the Property, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee shall have until 60 days after the date of obtaining such possession to cure or, if such default cannot reasonably be cured within such period, to commence to cure such default, provided that such default is cured no later than one year after Mortgagee obtains such possession.

11.4 Cure Rights. Any Mortgagee who takes title to all of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, shall succeed to the rights and obligations of the Developer under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of the Developer arising prior to acquisition of title to the Property by such Mortgagee, except that any such Mortgagee shall not be entitled to a building permit or occupancy certificate until all delinquent and current fees and other monetary or non-monetary obligations due under this Agreement for the Property, or portion thereof acquired by such Mortgagee, have been satisfied.

11.5 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving the Developer, the times specified in Section 10 above shall be

extended for the period of the prohibition, except that any such extension shall not extend the term of this Agreement.

11.6 Disaffirmation. If this Agreement is terminated as to any portion of the Property by reason of (i) any default or (ii) as a result of a bankruptcy proceeding, and this Agreement is disaffirmed by a receiver, liquidator, or trustee for the Developer or its property, the City, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new development agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section.

12. Estoppel Certificate. At any time and from time to time, the Developer may deliver written notice to City and City may deliver written notice to the Developer requesting that such Party certify in writing that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Agreement has not been amended, or if amended, the identity of each amendment; and (iii) the requesting Party is not in breach of this Agreement, or if in breach, a description of each such breach. The Party receiving such a request shall execute and return the certificate within thirty (30) days following receipt of the notice. The failure of the City to deliver such a written notice within such time shall constitute a conclusive presumption against the City that, except as may be represented by the Developer, this Agreement is in full force and effect without modification, and that there are no uncured defaults in the performance of the Developer. The Development Services Director shall be authorized to execute, on behalf of the City, any Estoppel Certificate requested by the Developer. City acknowledges that a certificate may be relied upon by successors in interest to the Developer who requested the certificate and by holders of record of deeds of trust on the portion of the Property in which that Developer has a legal interest.

13. Administration of Agreement.

13.1 Appeal of Staff Determinations. Any decision by City staff concerning the interpretation or administration of this Agreement or development of the Property in accordance herewith may be appealed by the Developer to the Planning Commission, and thereafter, if necessary, to the City Council pursuant to the El Segundo Municipal Code. The Developer shall not seek judicial review of any staff decision without first having exhausted its remedies pursuant to this Section. Final determinations by the City Council are subject to judicial review subject to the restrictions and limitations of California law.

13.2 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer. During the Term of this Agreement, clarifications to this Agreement and the Applicable Rules may be appropriate with respect to the details of performance of City and Developer. If and when, from time to time, during the term of this Agreement, City and Developer agree that such clarifications are necessary or appropriate, they shall effectuate such clarification through a memoranda approved in writing by City and Developer (the "Operating Memoranda"), which, after execution, shall be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by City and the Developer. Operating Memoranda are not intended to and shall not constitute an amendment to this Agreement but are mere ministerial clarifications, therefore public notices and hearings are not required. The City Attorney shall be authorized, upon consultation with, and

approval of, the Developer, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment hereof which requires compliance with the provisions of Section 14 below. The authority to enter into such Operating Memoranda is hereby delegated to the Director, and the Director is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

13.3 Certificate of Performance. Upon the completion of the Project, or the completion of development of any parcel within the Project, or upon completion of performance of this Agreement or its earlier revocation and termination, the City shall provide the Developer, upon the Developer's request, with a statement ("Certificate of Performance") evidencing said completion or revocation and the release of the Developer from further obligations hereunder, except for any ongoing obligations hereunder. The Certificate of Performance shall be signed by the appropriate agents of the Developer and the City and shall be recorded in the official records of Los Angeles County, California. Such Certificate of Performance is not a notice of completion as referred to in California Civil Code § 3093.

14. Amendment or Termination by Mutual Consent. Except as otherwise set forth herein, this Agreement may only be amended or terminated, in whole or in part, by mutual consent of City and the Developer, and upon compliance with the provisions of Government Code § 65867.

15. Indemnification/Defense.

15.1 Indemnification. The Developer agrees to indemnify and hold the City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from the City's approval of the Project, this Agreement, Developer's performance of this Agreement, and all procedures with approving this Agreement (collectively, "Discretionary Approvals"), except to the extent such is a result of the City's sole negligence or intentional misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Discretionary Approvals, Developer agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise, except to the extent such action is a result of the City's sole negligence or intentional misconduct. For purposes of this Section, "the City" includes the City of El Segundo's elected officials, appointed officials, officers, consultants, and employees.

15.2 Defense of Agreement. If the City accepts Developer's indemnification and defense as provided in Section 15.1 above, the City agrees to and shall timely take all actions which are necessary or required to uphold the validity and enforceability of this Agreement, the Discretionary Approvals, Project Approvals, Development Standards, and the Applicable Rules. This Section 15 shall survive the termination of this Agreement.

16. Cooperation in the Event of Legal Challenge.

16.1 Third Party Challenges. In the event of any administrative, legal or equitable action or other proceeding instituted by any person or entity not a party to the Agreement challenging the validity of any provision of this Agreement, challenging any Approval, or challenging the sufficiency

of any environmental review of either this Agreement or any Approval under CEQA (each a "Third Party Challenge"), each party must cooperate in the defense of such Third Party Challenge, in accordance with this Section. Developer agrees to pay City's costs of defending a Third Party Challenge, including all court costs and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Challenge, as well as the time of City's staff spent in connection with such defense. Developer may select its own legal counsel to represent Developer's interests in any Third Party Challenge at Developer's sole cost and expense. City agrees that it will not enter into a settlement agreement to any Third Party Challenge without Developer's written consent. Developer's obligation to pay City's costs in the defense of a Third Party Challenge shall not extend to those costs incurred on appeal if Developer notifies the City is writing that it does not wish to pursue the appeal.

16.2 Third Party Challenges Related to the Applicability of City Laws. The provisions of this Section will apply only in the event of a legal or equitable action or other proceeding, before a court of competent jurisdiction, instituted by any person or entity not a party to the Agreement challenging the applicability to the Project or Project Site of a conflicting City Law (a "Third Party Enforcement Action").

16.2.1 In the event of a Third Party Enforcement Action, City must: (i) promptly notify Developer of such action or proceeding; and (ii) stipulate to Developer's intervention as a party to such action or proceeding unless Developer has already been named as a respondent or real party in interest to such action or proceeding. In no event will City take any action that would frustrate, hinder, or otherwise complicate Developer's efforts to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. As requested by Developer, City must use its best efforts to ensure that Developer is permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action. If, for any reason, Developer is not permitted to intervene, join or otherwise participate as a party to any Third Party Enforcement Action, the parties to this Agreement agree to cooperate, to the maximum extent permitted by law, in the defense of such action or proceeding. For purposes of this Section, the required cooperation between the parties includes, without limitation, developing litigation strategies, preparing litigation briefs and other related documents, conferring on all aspects of the litigation, developing settlement strategies, and, to the extent permitted by law, jointly making significant decisions related to the relevant litigation, throughout the course thereof. 16.2.2 City's costs of defending any Third Party Enforcement Action, including all court costs, and reasonable attorney's fees expended by City (including the time and cost of the City Attorney) in defense of any Third Party Enforcement Action, as well as the time of City's staff spent in connection with such defense (the "Enforcement Action Defense Costs), will be paid in accordance with this Agreement. The Enforcement Action Defense Costs shall extend to, and Developer will be obligated to pay, any costs incurred on appeal unless Developer notifies the City in writing that it does not wish to pursue the appeal.

16.2.3 City must not enter into a settlement agreement or take any other action to resolve any Third Party Enforcement Action without Developer's written consent. City cannot, without Developer's written consent, take any action that would frustrate, hinder or otherwise prevent Developer's efforts to settle or otherwise resolve any Third Party Enforcement Action.

16.2.4 Provided that City complies with this Section and provided that Developer is a party to the relevant Third Party Enforcement Action, Developer agrees to be bound by any final

judgment (i.e., following all available appeals) arising out of a Third Party Enforcement Action and further agrees that no default under this Agreement will arise if such final judgment requires City to apply to the Project or Project Site a City Law that conflicts with Applicable Law or this Agreement.

17. Time of Essence. Time is of the essence for each provision of this Agreement of which time is an element.

18. Effective Date. This Agreement shall become operative on the date the Enabling Ordinance approving this Development Agreement becomes effective (the "Effective Date") pursuant to Government Code Section 36937.

19. Notices. Any notice that a party is required or may desire to give the other must be in writing and may be sent by: i) personal delivery; or ii) by deposit in the United States mail, postage paid, registered or certified mail, return receipt requested; or iii) by overnight delivery using a nationally recognized overnight courier, providing proof of delivery, evidenced by confirmed receipt, addressed as follows:

If to City:	City of El Segundo 350 Main Street El Segundo, CA 90245 Attention: City Manager
With a Copy to:	City of El Segundo 350 Main Street El Segundo, CA 90245 Attention: Director of Development Services
With a Copy to:	Hensley Law Group 2600 W. Olive Avenue Suite 500 Burbank, California 91505 Attention: Mark D. Hensley, Esq. E-mail: mhensley@hensleylawgroup.com
If to Developer:	Nick Browne, VP – Product and Development 6080 Center Drive, Suite 120 Los Angeles, CA 90045 E-mail: nbrowne@eqoffice.com

Either City or Developer may change its mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten days prior to the date such change is affected. Any notice given by mail is deemed to have been given as of the date of delivery (whether accepted or refused) established by the United State Post Office, return receipt, or the overnight

carrier's proof of delivery as the case may be. Notices given in any other manner are effective only if and when received by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m., local time of the recipient, of any business day with delivery made after such hours deemed received the following business day.

20. Entire Agreement. This Agreement contains the entire agreement between the Parties regarding the subject matter hereof, and supersedes in its entirety all prior agreements or understandings, oral or written. This Agreement shall not be amended, except as expressly provided herein.

21. Waiver. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar; nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless it is executed in writing by a duly authorized representative of the Party against whom enforcement of the waiver is sought.

22. Supersession of Subsequent Laws of Judicial Action. The provisions of this Agreement must, to the extent feasible, be modified or suspended as may be necessary to comply with any new law or decision issued by a court of competent jurisdiction, enacted or made after the effective date which prevents or precludes compliance with one or more provisions of this Agreement. Immediately after enactment of any such new law, or issuance of such decision, the parties must meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement.

23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall be effective to the extent the remaining provisions are not rendered impractical to perform, taking into consideration the purposes of this Agreement.

24. Relationship of the Parties. Each Party acknowledges that, in entering into and performing under this Agreement, it is acting as an independent entity and not as an agent of any other Party in any respect. Nothing contained herein or in any document executed in connection herewith shall be construed as creating the relationship of partners, joint ventures or any other association of any king or nature between City and Developer, jointly or severally.

25. No Third-Party Beneficiaries. This Agreement is made and entered into for the sole benefit of the Parties and their successors in interest. No other person or party shall have any right of action based upon any provision of this Agreement.

26. Recordation of Agreement and Amendments. This Agreement and any amendment thereof shall be recorded with the County Recorder of the County of Los Angeles by the City Clerk of City.

27. Cooperation Between City and Developer. City and Developer shall execute and deliver to the other all such other and further instruments and documents as may be reasonably necessary to carry out the purposes of this Agreement. Upon satisfactory performance by Developer, and subject to the continuing cooperation of the Developer, City will commence and in a timely manner proceed to complete all steps necessary for the implementation of this Agreement and development of the Project or Property in accordance with the terms of this Agreement.

28. Rules of Construction. The captions and headings of the various sections and subsections of this Agreement are for convenience of reference only, and they shall not constitute a part of this Agreement for any other purpose or affect interpretation of the Agreement. Should any provision of this Agreement be found to be in conflict with any provision of the Applicable Rules or the Project Approvals or the Future Approvals, the provisions of this Agreement shall control.

29. Joint Preparation. This Agreement shall be deemed to have been prepared jointly and equally by the Parties, and it shall not be construed against any Party on the ground that the Party prepared the Agreement or caused it to be prepared.

30. Governing Law and Venue. This Agreement is made, entered into, and executed in the County of Los Angeles, California, and the laws of the State of California shall govern its interpretation and enforcement. Any action, suit or proceeding related to, or arising from, this Agreement shall be filed in the appropriate court having jurisdiction in the County of Los Angeles.

31. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument.

32. Weekend/Holiday Dates. Whenever any determination is to be made or action to be taken on a date specified in this Agreement, if such date shall fall upon a Saturday, Sunday or holiday specified in Government Code § 6700, the date for such determination or action shall be extended to the first business day immediately thereafter.

33. Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained shall be deemed to be a gift or dedication of the Property, or of the Project, or any portion thereof, to the general public, for the general public, or for any public use or purpose whatsoever, it being the intention and understanding of the Parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. The Developer shall have the right to prevent or prohibit the use of the Property, or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Property conveyed to the City by the Developer as provided herein shall be held and used by the City only for the purposes contemplated herein or otherwise provided in such conveyance, and the City shall not take or permit to be taken (if within the power or authority of the City) any action or activity with respect to such portion of the Property that would deprive the Developer of the material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

34. Releases. City agrees that upon written request of Developer and payment of all fees and performance of the requirements and conditions required by Developer by this Agreement, the City must execute and deliver to Developer appropriate release(s) of further obligations imposed by this Agreement in form and substance acceptable to the Los Angeles County Recorder's Office or as otherwise may be necessary to effect the release.

35. Consent. Where the consent or approval of City or Developer is required or necessary under this Agreement, the consent or approval will not be unreasonably withheld, delayed or conditioned.

IN WITNESS WHEREOF, the Developer and the City of El Segundo have executed this Development Agreement on the date first above written.

CITY:

City of El Segundo, a municipal corporation

By: _____
Mayor

ATTEST:

_____
Tracy Weaver
City Clerk

APPROVED AS TO FORM:

By:_____
Mark D. Hensley, City Attorney

DEVELOPER:

BRE EL SEGUNDO PROPERTY OWNER A LLC

By: _____
Patrick Volz, Vice President

BRE EL SEGUNDO PROPERTY OWNER B LLC

By: _____
Patrick Volz, Vice President

BRE EL SEGUNDO PARKING LLC

By: _____
Patrick Volz, Vice President

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of El Segundo, County of Los Angeles, State of California, described as follows:

PARCEL 1: (APN: 4139-025-075)

LOT 428 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2: (APN: 4139-025-073, 074, 076, 081)

LOTS 385, 386, 387, 429 AND 430 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3: (APN: 4139-025-091)

LOTS 382, 383, 384, 431, 432 AND 433 IN BLOCK 123 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 22 PAGES 106 AND 107 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM PARCELS 1 AND 2, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM, GAS, ASPHALTUM, OTHER HYDROCARBONS AND OTHER MINERALS AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OPERATIONS AND THE EXCLUSIVE RIGHT TO USE THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN, OR WITHDRAWING THEREFROM GAS, OIL, OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING, OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 AS INSTRUMENT NO. 480 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 4: (portion of APN: 4139-024-057)

THE WESTERLY 60 FEET OF LOTS 2 AND 9 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5: (APN: 4139-024-058)

LOTS 1, 2, 9 AND 10 IN BLOCK 113 OF EL SEGUNDO, IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGES 114 AND 115 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE WESTERLY 60 FEET OF SAID LOTS 2 AND 9.

ALSO EXCEPT THEREFROM THE NORTHERLY 181.00 FEET OF SAID LOTS 1 AND 2.

ALSO EXCEPT THE SOUTH 147.03 FEET OF LOT 10.

ALSO EXCEPT THEREFROM ALL PETROLEUM, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT TO ENTER INTO, ACROSS OR THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF TAKING OR PRODUCING ANY PETROLEUM AND OTHER HYDROCARBONS, AND OTHER MINERALS IN AND UNDER SAID LAND, BY DIRECTIONAL DRILLING OR OTHER SUBSURFACE OF SAID LAND FOR THE PURPOSE OF INJECTING THEREIN OR WITHDRAWING THEREFROM GAS, OIL OR OTHER SUBSTANCES, WHETHER HYDROCARBON OR NOT, FOR STORAGE, REPRESSURING OR OTHER PURPOSES, BUT WITH NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, AS GRANTED TO STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION, BY DEED RECORDED APRIL 28, 1947 IN BOOK 24472 PAGE 357, OFFICIAL RECORDS.

PARCEL 6: (portion of APN: 4139-024-057)

A PARCEL OF LAND SITUATE IN THE CITY OF EL SEGUNDO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 113 OF EL SEGUNDO, AS PER MAP RECORDED IN BOOK 20, PAGES 114 THROUGH 115, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 OF TRACT NO. 48436, AS PER MAP RECORDED IN BOOK 1180, PAGES 68 THROUGH 69, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58’ 36” EAST 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE ALONG THE SOUTH LINE OF PALM AVENUE SOUTH 89° 58’ 36” EAST 13.19 FEET; THENCE SOUTH 00° 03’ 15” WEST 181.00 FEET; THENCE NORTH 89° 58’ 36” WEST 13.11 FEET; THENCE NORTH 00° 01’ 50” EAST 181.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

Recording Requested By and
When Recorded Mail To:
BRE

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and entered into by and among BRE ("Assignors"), and, _____, a _____ ("Assignee").

R E C I T A L S

A. The City of El Segundo ("City") and Assignor entered into that certain Development Agreement dated _____, 20___ (the "Development Agreement"), with respect to the real property located in the City of El Segundo, State of California more particularly described in Exhibit "A" attached hereto (the "Project Site"), and

B. Assignor has obtained from the City certain development approvals and permits with respect to the development of the Project Site, including without limitation, approval of _____ for the Project Site (collectively, the "Project Approvals").

C. Assignor intends to sell, and Assignee intends to purchase that portion, of the Project Site more particularly described in Exhibit "B" attached hereto (the "Transferred Property").

D. In connection with such purchase and sale, Assignor desires to transfer all of the Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee desires to accept such assignment from Assignor and assume the obligations of Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property. [or modify if not all interest sold]

THEREFORE, the parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, and interest in and to the Development Agreement and the Project Approvals with respect to the Transferred Property. Assignee hereby accepts such assignment from Assignor.

2. Assumption. Assignee expressly assumes and agrees to keep, perform, and fulfill all the terms, conditions, covenants, and obligations required to be kept, performed, and fulfilled by Assignor under the Development Agreement and the Project Approvals with respect to the Transferred Property, including but not limited to those obligations specifically allocated to the

Transferred Parcel as set forth on Exhibit "C" attached hereto.

3. Effective Date. The execution by City of the attached receipt for this Agreement shall be considered as conclusive proof of delivery of this Agreement and of the assignment and assumption contained herein. This Agreement shall be effective upon its recordation in the Official Records of Los Angeles County, California, provided that Assignee has closed the purchase and sale transaction and acquired legal title to the Transferred Property.

4. Remainder of Project. Any and all rights or obligations pertaining to such portion of the Project Site other than the Transferred Property are expressly excluded from the assignment and assumption provided in sections 1 and 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their signatures below.

"ASSIGNOR"

BRE

_____

RECEIPT BY CITY

The attached ASSIGNMENT AND ASSUMPTION AGREEMENT is received by the City of El Segundo on this ___ day of _____, _____.

CITY OF EL SEGUNDO

_____

By: _____
Development Services Director or
Designee

EXHIBIT C

PACIFIC COAST COMMONS SPECIFIC PLAN
LAND USE DISTRICTS

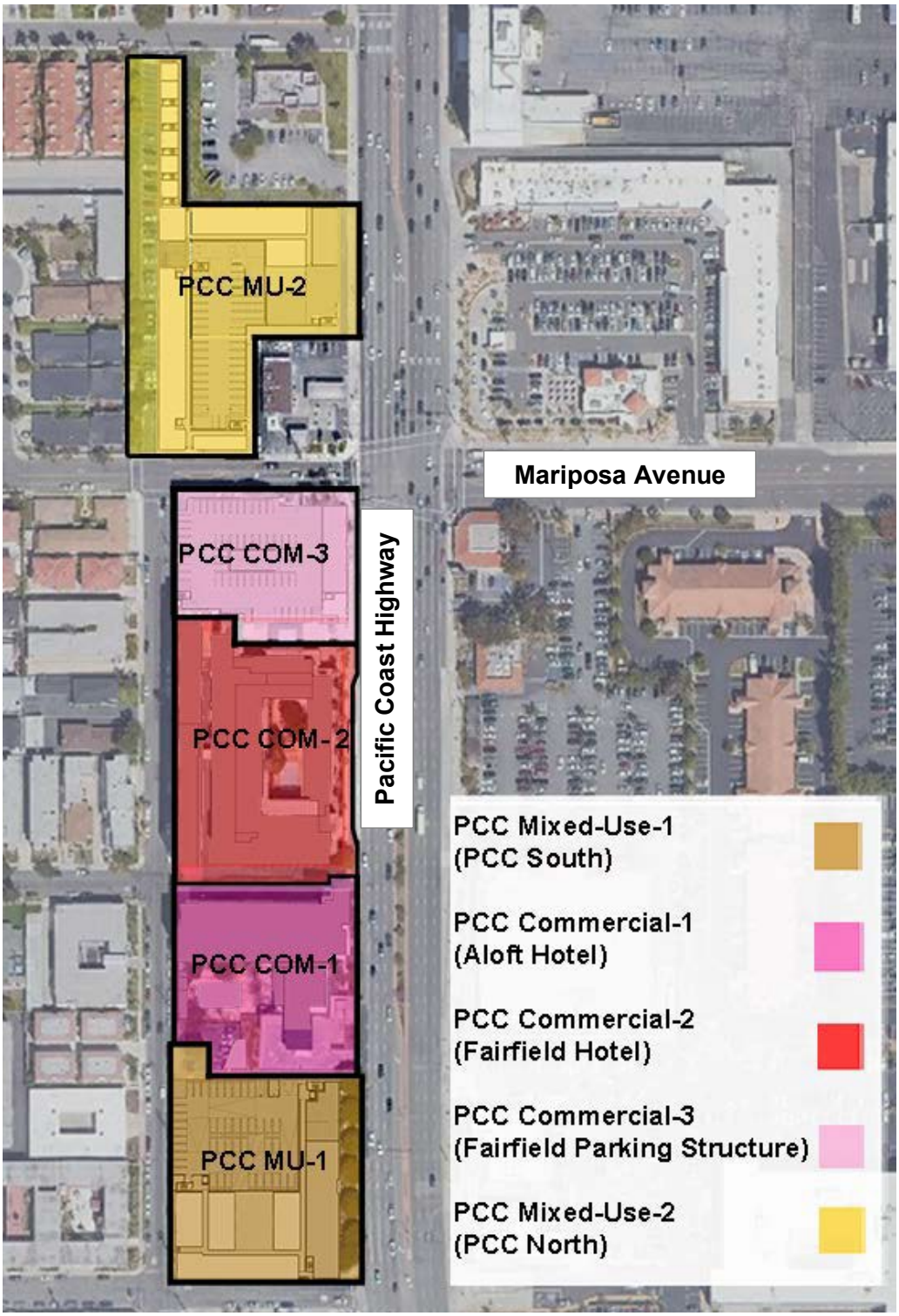


EXHIBIT D-1

PCC SOUTH AFFORDABLE HOUSING AGREEMENT

Recording Requested by and When
Recorded Return to:

CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

OFFICIAL BUSINESS
Document entitled to free
recording per Government Code
Section 6103

Space above this line for Recorder's use only

AGREEMENT CREATING AFFORDABLE HOUSING COVENANTS (INCLUDING RENTAL RESTRICTIONS)

THIS AGREEMENT is entered into as of _____, 202_, by and between the CITY OF EL SEGUNDO, a municipal corporation (herein referred to as "City") and BRE EL SEGUNDO PROPERTY A LLC, a Delaware limited liability company (herein referred to as "Owner").

A. Owner owns fee title to that certain real property (the "Property") located in the City of El Segundo, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and incorporated herein.

B. Owner has entered into a development agreement with City (the "Development Agreement") entitling Owner to develop a mixed-use project containing 120 multi-family apartment units on the Property (the "Project").

C. In accordance with the requirements of Section 5.2 of the Development Agreement, a minimum of fifteen (15) units, shall be reserved for occupancy at an Affordable Rent to persons or families that qualify as a Low-Income Household or Very Low-Income Household, as follows:

	PCC South	Affordable Housing Units (Sub-Set of Total)	Affordability Levels
Studios	44	9	1 Very Low/8 Low
One Bedrooms	52	5	5 Low
Two Bedrooms	24	1	1 Low
Totals	**120**	**15**	**1 Very Low/14 Low**

D. City desires to enter this Agreement in order to ensure that the required number of Restricted Units will be made available to and occupied by Qualified Households in accordance with the terms and conditions of the Development Agreement.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, CITY AND OWNER AGREE AS FOLLOWS:

1. Definitions

"Adult" means a person 18 years of age or older.

"Affordable Rent" means the maximum gross rent that can be borne by tenants in the Restricted Units, as published by CTCAC annually, minus Housing Related Expenses. The gross rent for the Low Income Rental Units is based on 80% of the Los Angeles County median income for the applicable unit type, and the gross rent for Very Low Income Rental Units is based on 50% of the Los Angeles County median income for the applicable unit type. Affordable Rent amounts will be adjusted annually to reflect increases in maximum gross rent published by CTCAC.

"CTCAC" means the California Tax Credit Allocation Committee.

"Gross Household Income: means all income from whatever source from all Adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Household Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

"Household" means all the persons who will occupy the Restricted Unit as their principal residence. A child who is subject to a legally binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

"Housing Related Expenses" means any costs other than rent that are required to be borne by a tenant in a Restricted Unit in the Project. These costs include, but are not limited to, a Utility Allowance, any cost that are imposed by the Owner on a mandatory basis, and any mandatory costs that are charged by the Owner for amenities included in the Project. Owner may charge tenants in a Restricted Unit optional costs that are not Housing Related Expenses related to elective amenities requiring an optional service fee such as classes, room rentals, food service, or special events, but is prohibited from charging a tenant in a restricted unit any fee for equal access to common areas or project amenities such as pools, gyms, community rooms and outdoor areas. In addition, Owner is prohibited from charging any optional amenity fees to a tenant in a Restricted Unit that is higher than optional amenity fees charged to tenants in non-restricted units.

"HUD" means the United States Department of Housing and Urban Development.

"Low-Income Household" means a Household whose Gross Household Income does not exceed eighty percent (80%) of area median income adjusted for family size and published by HUD, under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

"Low-Income Rental Unit" means a rental unit in the Project reserved for and rented to Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

"Qualified Household" means a Household that qualifies as a Very Low-Income Household or Low-Income Household.

"Restricted Units" means the Very Low-Income Rental Units and Low-Income Rental Units.

"Utility Allowance" means the allowance for utilities not furnished by the Owner, which shall be calculated based on the most current version of the allowances for Tenant Furnished Utilities and Other Services worksheet prepared by the Los Angeles Community Development Authority or its successor agency using the form prepared by HUD.

"Very Low-Income Household" means a Household whose Gross Household Income does not exceed fifty percent (50.0%) of area median income, adjusted for family size published by the United States Department of Housing and Urban Development (HUD), under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

"Very Low-Income Rental Unit" means a rental unit in the Project reserved for and rented to Very Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

A. The portion of the Property comprising the Project shall be used for residential use. Owner shall rent: (i) Nine (9) of the studio units to be developed at Affordable Rents to Low-Income Households and Very Low-Income Households in the proportions shown in Recital "C;" (ii) 5 of the one-bedroom units to be developed at Affordable Rents to Low-Income Households, and (iii) 1 of the two-bedroom units to be developed at Affordable Rents to Low-Income Households.

B. The designated Restricted Units are shown on the floor plan attached hereto as Exhibit "C." These will be fixed locations *(Note prior to execution of this Agreement the Owner and City shall identify the Restricted Units on the floor plan. Those units shall not be segregated from the market rate units. The Restricted Units, by type and affordability, should be equitably distributed throughout the Project. They shall not be distinguishable, nor located in inferior locations nor clustered).* For the full term, the number, size, type, and

amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in this Agreement. However, the location of the Restricted Units can be changed with prior written approval from the City.

C. The formula for determining the current applicable (for the year 2021) Affordable Rents is set forth in the Schedule of Affordable Rents attached to this Agreement as Exhibit "B".

D. Occupancy Requirements: For a studio Restricted Unit, a maximum of two people can occupy the unit. For a one-bedroom Restricted Unit , a maximum of three people can occupy the unit. For a two-bedroom Restricted Unit, a maximum of five people can occupy the unit.

E. The Owner must forward a copy of its initial standard form of lease agreement to the City for final review as to compliance with this Agreement and thereafter upon request by City. In addition to other requirements imposed under this Agreement, Owner's form of lease agreement must include the following: (1) restrictions prohibiting tenants from subleasing the Restricted Unit and that the Qualified Household must have continued residence in the Restricted Unit; (2) a provision to the effect that Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Restricted Unit and that any material misstatement in such certification (whether or not intentional) will be cause for termination of the lease in the soonest time period permitted by applicable law; (3) A rider in the lease that a Household must move out within sixty (60) days if they become over-income at their annual income recertification. An over-income Household will be given a right of first refusal to move into any unit for which they qualify and that is or becomes vacant prior to moving out of their Restricted Unit; And (4) A rider in the lease that a Household must move to the next available qualifying Restricted unit if they are in excess of the maximum occupancy standards at their annual income recertification.

F. Fair Housing Covenants: Owner covenants that it will comply with all applicable state and federal fair housing laws in the marketing and rental of the Restricted Units. Owner agrees to accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies under the Section 8 program or any successor program, provided that the total rent to be paid for the subject unit is equal to the then full market rent. The total amount of rent that may be charged and received by Owner for a Restricted Unit is limited to the Affordable Rent.

G. Non-Discrimination Covenants: Owner may not restrict the rental, use, occupancy, or enjoyment of the Restricted Units, the Property, or any portion thereof, on the basis of the race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry,

familial status, source of income, disability, or genetic information of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there may be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the lease, use, occupancy, tenure or enjoyment of the Restricted Units. Nor may Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants.

H. Marketing of Units. Owner must offer each Restricted Unit for rental only to Qualified Households. Owner must continuously maintain an interest list of prospective tenants for Restricted Units that may become available in the future. Owner may not charge more than the then current industry standard per Adult Household member for application fees including credit check and screening and background checks.

3. Enforcement of Covenants.

A. The City shall have the right, but not the obligation, to monitor and enforce the covenants contained in this Agreement.

B. Owner shall comply with any monitoring program set up by City to enforce the affordability covenants. Owner shall pay for actual costs of an independent third-party affordable housing consultant chosen by the City to provide, at rates that are competitive in the market area income limit verification that meets the affordable housing requirements of this agreement.

C. Annual Reports. By no later than July 15th of each year following the Commencement of the Term, Owner must submit an annual report ("**Annual Report**") to the Director in a form reasonably satisfactory to the City Manager. The Annual Report must include the following information for each Restricted Unit:

1. The number of bedrooms;

2. The number of people residing in the Restricted Unit;

3. The current rent and other charges;

4. The dates of any vacancies during the previous year; and

5. The total Gross Household Income of the residents upon commencing occupancy of their Restricted Unit and the source of such information.

D. Additional Report Information. In addition to the information in Section 3.C, the information in the Annual Report must include the following:

1. Information on the status of waiting lists for the Restricted Units.

E. In the event that a Household, on annual recertification, is determined to have Gross Household Income in excess of the amounts set forth in Section 2(C) and 2(D) of this Agreement Owner must cause the Household to vacate the Restricted Unit and must re-rent the unit to a Qualified Household. However, Owner shall allow the Household to remain in the Restricted Unit at the Affordable Rent for up to sixty days. If, after sixty days, the Household has not voluntarily vacated, an eviction notice must be served and pursued with due diligence to conclusion. Owner shall offer any such Household that is above 80% area median income an opportunity to rent any then available comparably sized unit at market rent and shall offer any such Household that is at or below 80% area median rent an opportunity to rent any then available comparably sized Low-Income Rental Unit at Affordable Rent.

F. Maintenance of Records. Owner must maintain complete and accurate records pertaining to the Restricted Units for a period of five years after the final date of occupancy by a tenant and must permit any duly authorized representative of City to inspect the books and records of Owner pertaining to the Project including, but not limited to, those records pertaining to the occupancy of each Restricted Unit.

4. Covenant is in Lieu of Affordable Housing Fees. City agrees that Owner's provision of affordable rental housing in accordance with this agreement totally absolves the Project from being charged inclusionary housing fees or any other fees intended to subsidize or contribute to affordable housing in the City.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. City shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City without regard to whether the City has been, remains, or is an owner of any land or interest therein in the Project area. The covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any person or entity except the City.

6. Subordination to Permitted Mortgages. The use restrictions contained in Section 1 of this Agreement, and City's rights hereunder, are subordinate to (i) any deed of trust or mortgage encumbering the property provided that all of the proceeds of the loan secured by the deed of trust or mortgage are used to acquire the Property and/or construct the Project, and (ii) any deed of trust or

mortgage securing the first permanent refinancing of the loan described in subsection (i) (said encumbrances are referred to individually and collectively as "Permitted Mortgages"). The use restrictions contained in Section 1 of this Agreement, and the City's rights thereunder, will not be subordinated to any encumbrance existing as of the date of this Agreement other than Permitted Mortgages.

7. Recordation. Prior to issuance of a certificate of occupancy, but not sooner than issuance of building permits for the Project, this Agreement shall be recorded in the office of the County Recorder of Los Angeles County.

8. Term. Every covenant and condition and restriction contained in this Agreement shall remain in effect for fifty-five (55) years from the date on which the Project obtains a certificate of occupancy.

9. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, City shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by City.

10. Enforcement. If a violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in Paragraph 9, above, City and its successors and assigns, without regard to whether City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

11. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, or to limit the remedies available to Owner in respect thereto.

IN WITNESS WHEREOF, the City and the Owner have signed this Agreement as of the dates set opposite their signatures.

CITY OF EL SEGUNDO

By: _____

APPROVED AS TO FORM AND LEGALITY
City Attorney

By:_____

BRE EL SEGUNDO PROPERTY OWNER A LLC

By: _____
Patrick Volz, Vice President

STATE OF CALIFORNIA
COUNTY OF _____

On _____- before me, _____, a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

STATE OF CALIFORNIA

COUNTY OF _____

On _____- before me, _____, a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

EXHIBIT A

LEGAL DESCRIPTION

All the certain real property located in the City of El Segundo, County of Los Angeles, State of California, described as follows:

Lot 1 of Vesting Map No. 82806 recorded on _____, 20___, in the County Recorder's Office of Los Angeles County.

EXHIBIT "B"

AFFORDABLE RENTS

a. The gross rents for the Restricted Units shall be based on the rent schedule published annually for Los Angeles County by CTCAC in accordance with IRC Section 42. This schedule currently provides:

Per HUD Notice
Effective: April 1, 2021

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE 2021

Maximum Rents for Projects From Ceilings Post-1989 and Those from the Pre-1990 Ceilings That Elected with the Secretary of the Treasury* to use the Post-1989 Rents

**(See IRC Section 42 - Section 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*

For Projects Placed in Service on or after 4/1/21+

County	Efficiency	1 BR	2 BR	3 BR
LOS ANGELES				
100% Income Level	$2,070	$2,216	$2,660	$3,072
80% Income Level	$1,656	$1,774	$2,128	$2,459
50% Income Level	$1,035	$1,108	$1,330	$1,536

b. The Housing Related Expenses, as applicable, must be deducted from the gross rent as adjusted for unit size and described above to determine the Affordable Rent.

In the event this schedule ceases to be published, the gross monthly rents shall be calculated using the following methodology. The gross monthly rents must be reduced by the Housing Related Expenses to determine the Affordable Rent,

i. For the sole purpose of calculating the Affordable Rents, the following benchmark household sizes will be applied: Studio/ Efficiency Unit = 1 Person, 1 Bedroom Unit = 1.5 Persons and 2 Bedroom Unit = 3 Persons.

ii. Low Income Rental Units: Gross monthly rent is calculated by taking the most recent HUD Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Low-Income Limit for a 1 person household is $66,250 thus the gross monthly rent for a Studio/Efficiency Unit is ($66,250 x 30%) / 12 = **$1,656**. The FY2021 HUD Low-Income Limit for a 1.5 person household is the 1 person Low-Income Limit plus the 2 person Low-Income Limit, divided by two, thus the gross monthly rent for a 1 Bedroom Unit is (($66,250 + $75,700) /2) x 30%) / 12 = **$1,774**. The FY2021 HUD Low-Income Limit for a 3 person household is $85,150 thus the gross monthly rent for a 2 Bedroom Unit is ($85,150 times 30%) / 12 = **$2,128**.

iii. "Very Low-Income" units: Gross monthly rent is calculated by taking the most recent HUD Very Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit.

The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Very Low-Income Limit for a 1 person household is $41,400 thus the gross monthly rent for a Studio/Efficiency Unit is ($41,400 x 30%) / 12 = **$1,035**. The FY2021 HUD Very Low-Income Limit for a 1.5 person household is the 1 person Low- Income Limit plus the 2 person Very Low-Income Limit, divided by two thus the gross monthly rent for a 1 Bedroom Unit is (($41,400 + $47,300) /2) x 30%) / 12 = **$1,108**. The FY2021 HUD Very Low-Income Limit for a 3 person household is $53,200 thus the gross monthly rent for a 2 Bedroom Unit is ($53,200 x 30%) / 12 = **$1,330**.

EXHIBIT C
DESIGNATED RESTRICTED UNITS

EXHIBIT D-2

PCC NORTH AFFORDABLE HOUSING AGREEMENT

Recording Requested by and
When Recorded Return to:

CITY OF EL SEGUNDO
350 Main Street
El Segundo, California 90245

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Space above this line for Recorder's use only

AGREEMENT CREATING AFFORDABLE HOUSING COVENANTS (INCLUDING RENTAL RESTRICTIONS)

THIS AGREEMENT is entered into as of _____, 202_, by and between the CITY OF EL SEGUNDO, a municipal corporation (herein referred to as "City") and BRE EL SEGUNDO PARKING LLC, a Delaware limited liability company (herein referred to as "Owner").

A. Owner owns fee title to that certain real property (the "Property") located in the City of El Segundo, County of Los Angeles, State of California, legally described on Exhibit A attached hereto and incorporated herein.

B. Owner has entered into a development agreement with City (the "Development Agreement") entitling Owner to develop a mixed-use project containing 137 multi-family apartment units on the Property (the "Project").

C. In accordance with the requirements of Section 5.2 of the Development Agreement, a minimum of seventeen (17) units, shall be reserved for occupancy at an Affordable Rent to persons or families that qualify as a Low-Income Household or Very Low-Income Household, as follows:

	PCC North	Affordable Housing Units (Sub-Set of Total)	Affordability Levels
Studios	47	9	2 Very Low/7 Low
One Bedrooms	67	6	6 Low
Two Bedrooms	23	2	2 Low
Totals	**137**	**17**	**2 Very Low/15 Low**

D. City desires to enter this Agreement in order to ensure that the required number of Restricted Units will be made available to and occupied by Qualified Households in accordance with the terms and conditions of the Development Agreement.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, CITY AND OWNER AGREE AS FOLLOWS:

1. Definitions

"Adult" means a person 18 years of age or older.

"Affordable Rent" means the maximum gross rent that can be borne by tenants in the Restricted Units, as published by CTCAC annually, minus Housing Related Expenses. The gross rent for the Low Income Rental Units is based on 80% of the Los Angeles County median income for the applicable unit type, and the gross rent for Very Low Income Rental Units is based on 50% of the Los Angeles County median income for the applicable unit type. Affordable Rent amounts will be adjusted annually to reflect increases in maximum gross rent published by CTCAC.

"CTCAC" means the California Tax Credit Allocation Committee.

"Gross Household Income: means all income from whatever source from all Adult Household members, which is anticipated to be received during the 12-month period following the date of the determination of Gross Household Income. The applicable sources of income are defined in California Code of Regulations Title 25 Housing and Community Development Section 6914.

"Household" means all the persons who will occupy the Restricted Unit as their principal residence. A child who is subject to a legally binding shared-custody agreement, in which the child resides with the Household at least 50% of the time, is counted as a member of the Household. Excluded from the definition of Household are live-in caregivers/caretakers, foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the Household.

"Housing Related Expenses" means any costs other than rent that are required to be borne by a tenant in a Restricted Unit in the Project. These costs include, but are not limited to, a Utility Allowance, any cost that are imposed by the Owner on a mandatory basis, and any mandatory costs that are charged by the Owner for amenities included in the Project. Owner may charge tenants in a Restricted Unit optional costs that are not Housing Related Expenses related to elective amenities requiring an optional service fee such as classes, room rentals, food service, or special events, but is prohibited from charging a tenant in a restricted unit any fee for equal access to common areas or project amenities such as pools, gyms, community rooms and outdoor areas. In addition, Owner is prohibited from charging any optional amenity fees to a tenant in a Restricted Unit that is higher than optional amenity fees charged to tenants in non-restricted units.

"HUD" means the United States Department of Housing and Urban Development.

"Low-Income Household" means a Household whose Gross Household Income does not exceed eighty percent (80%) of area median income adjusted for family size and published by HUD, under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

"Low-Income Rental Unit" means a rental unit in the Project reserved for and rented to Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

"Qualified Household" means a Household that qualifies as a Very Low-Income Household or Low-Income Household.

"Restricted Units" means the Very Low-Income Rental Units and Low-Income Rental Units.

"Utility Allowance" means the allowance for utilities not furnished by the Owner, which shall be calculated based on the most current version of the allowances for Tenant Furnished Utilities and Other Services worksheet prepared by the Los Angeles Community Development Authority or its successor agency using the form prepared by HUD.

"Very Low-Income Household" means a Household whose Gross Household Income does not exceed fifty percent (50.0%) of area median income, adjusted for family size published by the United States Department of Housing and Urban Development (HUD), under the parameters established by Section 3 of the U.S. Housing Act of 1937, as amended, for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

"Very Low-Income Rental Unit" means a rental unit in the Project reserved for and rented to Very Low-Income Households at a maximum monthly rent as set forth in Exhibit B.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

A. The portion of the Property comprising the Project shall be used for residential use. Owner shall rent: (i) Nine (9) of the studio units to be developed at Affordable Rents to Low-Income Households and Very Low-Income Households in the proportions shown in Recital "C;" (ii) 6 of the one-bedroom units to be developed at Affordable Rents to Low-Income Households, and (iii) 2 of the two-bedroom units to be developed at Affordable Rents to Low-Income Households.

B. The designated Restricted Units are shown on the floor plan attached hereto as Exhibit "C." These will be fixed locations *(Note prior to execution of this Agreement the Owner and City shall identify the Restricted Units on the floor plan. Those units shall not be segregated from the market rate units. The Restricted Units, by type and affordability, should be equitably distributed throughout the Project. They shall not be distinguishable, nor located in inferior locations nor clustered).* For the full term, the number, size, type, and

amenity level of Restricted Units shall not be fewer than the number nor different from the size, type and amenity level described in this Agreement. However, the location of the Restricted Units can be changed with prior written approval from the City.

C. The formula for determining the current applicable (for the year 2021) Affordable Rents is set forth in the Schedule of Affordable Rents attached to this Agreement as Exhibit "B".

D. Occupancy Requirements: For a studio Restricted Unit, a maximum of two people can occupy the unit. For a one-bedroom Restricted Unit , a maximum of three people can occupy the unit. For a two-bedroom Restricted Unit, a maximum of five people can occupy the unit.

E. The Owner must forward a copy of its initial standard form of lease agreement to the City for final review as to compliance with this Agreement and thereafter upon request by City. In addition to other requirements imposed under this Agreement, Owner's form of lease agreement must include the following: (1) restrictions prohibiting tenants from subleasing the Restricted Unit and that the Qualified Household must have continued residence in the Restricted Unit; (2) a provision to the effect that Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Restricted Unit and that any material misstatement in such certification (whether or not intentional) will be cause for termination of the lease in the soonest time period permitted by applicable law; (3) A rider in the lease that a Household must move out within sixty (60) days if they become over-income at their annual income recertification. An over-income Household will be given a right of first refusal to move into any unit for which they qualify and that is or becomes vacant prior to moving out of their Restricted Unit; and (4) A rider in the lease that a Household must move to the next available qualifying Restricted unit if they are in excess of the maximum occupancy standards at their annual income recertification.

F. Fair Housing Covenants: Owner covenants that it will comply with all applicable state and federal fair housing laws in the marketing and rental of the Restricted Units. Owner agrees to accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies under the Section 8 program or any successor program, provided that the total rent to be paid for the subject unit is equal to the then full market rent. The total amount of rent that may be charged and received by Owner for a Restricted Unit is limited to the Affordable Rent.

G. Non-Discrimination Covenants: Owner may not restrict the rental, use, occupancy, or enjoyment of the Restricted Units, the Property, or any portion thereof, on the basis of the race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry,

familial status, source of income, disability, or genetic information of any person. Owner covenants for itself and all persons claiming under or through it, and this Agreement is made and accepted upon and subject to the condition that there may be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the lease, use, occupancy, tenure or enjoyment of the Restricted Units. Nor may Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants.

H. Marketing of Units. Owner must offer each Restricted Unit for rental only to Qualified Households. Owner must continuously maintain an interest list of prospective tenants for Restricted Units that may become available in the future. Owner may not charge more than the then current industry standard per Adult Household member for application fees including credit check and screening and background checks.

3. Enforcement of Covenants.

A. The City shall have the right, but not the obligation, to monitor and enforce the covenants contained in this Agreement.

B. Owner shall comply with any monitoring program set up by City to enforce the affordability covenants. Owner shall pay for actual costs of an independent third-party affordable housing consultant chosen by the City to provide, at rates that are competitive in the market area income limit verification that meets the affordable housing requirements of this agreement.

C. Annual Reports. By no later than July 15th of each year following the Commencement of the Term, Owner must submit an annual report ("**Annual Report**") to the Director in a form reasonably satisfactory to the City Manager. The Annual Report must include the following information for each Restricted Unit:

6. The number of bedrooms;

7. The number of people residing in the Restricted Unit;

8. The current rent and other charges;

9. The dates of any vacancies during the previous year; and

10. The total Gross Household Income of the residents upon commencing occupancy of their Restricted Unit and the source of such information.

D. Additional Report Information. In addition to the information in Section 3(C), the information in the Annual Report must include the following:

2. Information on the status of waiting lists for the Restricted Units.

E. In the event that a Household, on annual recertification, is determined to have Gross Household Income in excess of the amounts set forth in Section 2(C) and 2(D) of this Agreement Owner must cause the Household to vacate the Restricted Unit and must re-rent the unit to a Qualified Household. However, Owner shall allow the Household to remain in the Restricted Unit at the Affordable Rent for up to sixty days. If, after sixty days, the Household has not voluntarily vacated, an eviction notice must be served and pursued with due diligence to conclusion. Owner shall offer any such Household that is above 80% area median income an opportunity to rent any then available comparably sized unit at market rent and shall offer any such Household that is at or below 80% area median rent an opportunity to rent any then available comparably sized Low-Income Rental Unit at Affordable Rent.

F. Maintenance of Records. Owner must maintain complete and accurate records pertaining to the Restricted Units for a period of five years after the final date of occupancy by a tenant and must permit any duly authorized representative of City to inspect the books and records of Owner pertaining to the Project including, but not limited to, those records pertaining to the occupancy of each Restricted Unit.

4. Covenant is in Lieu of Affordable Housing Fees. City agrees that Owner's provision of affordable rental housing in accordance with this agreement totally absolves the Project from being charged inclusionary housing fees or any other fees intended to subsidize or contribute to affordable housing in the City.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by City, its successors and assigns, against Owner, its successors and assigns, to or of the Property or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. City shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the City without regard to whether the City has been, remains, or is an owner of any land or interest therein in the Project area. The covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any person or entity except the City.

6. Subordination to Permitted Mortgages. The use restrictions contained in Section 1 of this Agreement, and City's rights hereunder, are subordinate to (i) any deed of trust or mortgage encumbering the property provided that all of the proceeds of the loan secured by the deed of trust or mortgage are used to acquire the Property and/or construct the Project, and (ii) any deed of trust or

mortgage securing the first permanent refinancing of the loan described in subsection (i) (said encumbrances are referred to individually and collectively as "Permitted Mortgages"). The use restrictions contained in Section 1 of this Agreement, and the City's rights thereunder, will not be subordinated to any encumbrance existing as of the date of this Agreement other than Permitted Mortgages.

7. Recordation. Prior to issuance of a certificate of occupancy, but not sooner than issuance of building permits for the Project, this Agreement shall be recorded in the office of the County Recorder of Los Angeles County.

8. Term. Every covenant and condition and restriction contained in this Agreement shall remain in effect for fifty-five (55) years from the date on which the Project obtains a certificate of occupancy.

9. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, City shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by City. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by City.

10. Enforcement. If a violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in Paragraph 9, above, City and its successors and assigns, without regard to whether City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

11. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, or to limit the remedies available to Owner in respect thereto.

IN WITNESS WHEREOF, the City and the Owner have signed this Agreement as of the dates set opposite their signatures.

CITY OF EL SEGUNDO

By: _____

APPROVED AS TO FORM AND LEGALITY
City Attorney

By:_____

BRE EL SEGUNDO PARKING LLC

By: _____
Patrick Volz, Vice President

STATE OF CALIFORNIA
COUNTY OF
_____

On _____- before me, _____, a Notary Public,
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

STATE OF CALIFORNIA

COUNTY OF _____

On _____- before me, _____, a Notary Public,
personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature

EXHIBIT A

LEGAL DESCRIPTION

All the certain real property located in the City of El Segundo, County of Los Angeles, State of California, described as follows:

Lot 5 of Vesting Map No. 82806 recorded on _____, 20___, in the County Recorder's Office of Los Angeles County.

EXHIBIT "B"

AFFORDABLE RENTS

a. The gross rents for the Restricted Units shall be based on the rent schedule published annually for Los Angeles County by CTCAC in accordance with IRC Section 42. This schedule currently provides:

Per HUD Notice
Effective: April 1, 2021

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE 2021

Maximum Rents for Projects From Ceilings Post-1989 and Those from the Pre-1990 Ceilings That Elected with the Secretary of the Treasury* to use the Post-1989 Rents

**(See IRC Section 42 - Section 13142(c) of the Omnibus Budget Reconciliation Act of 1993)*

For Projects Placed in Service on or after 4/1/21+

County	Efficiency	1 BR	2 BR	3 BR
LOS ANGELES				
100% Income Level	$2,070	$2,216	$2,660	$3,072
80% Income Level	$1,656	$1,774	$2,128	$2,459
50% Income Level	$1,035	$1,108	$1,330	$1,536

b. The Housing Related Expenses, as applicable, must be deducted from the gross rent as adjusted for unit size and described above to determine the Affordable Rent.

In the event this schedule ceases to be published, the gross monthly rents shall be calculated using the following methodology. The gross monthly rents must be reduced by the Housing Related Expenses to determine the Affordable Rent,

i. For the sole purpose of calculating the Affordable Rents, the following benchmark household sizes will be applied: Studio/ Efficiency Unit = 1 Person, 1 Bedroom Unit = 1.5 Persons and 2 Bedroom Unit = 3 Persons.

ii. Low Income Rental Units: Gross monthly rent is calculated by taking the most recent HUD Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Low-Income Limit for a 1 person household is $66,250 thus the gross monthly rent for a Studio/Efficiency Unit is ($66,250 x 30%) / 12 = **$1,656**. The FY2021 HUD Low-Income Limit for a 1.5 person household is the 1 person Low-Income Limit plus the 2 person Low-Income Limit, divided by two, thus the gross monthly rent for a 1 Bedroom Unit is (($66,250 + $75,700) /2) x 30%) / 12 = **$1,774**. The FY2021 HUD Low-Income Limit for a 3 person household is $85,150 thus the gross monthly rent for a 2 Bedroom Unit is ($85,150 times 30%) / 12 = **$2,128**.

iii. "Very Low-Income" units: Gross monthly rent is calculated by taking the most recent HUD Very Low-Income Limit for benchmark household sizes equal to 1.5 persons multiplied times the number of bedrooms in the unit. The benchmark household size is then multiplied times thirty percent (30%) then divided by twelve (12) to determine the gross monthly rent. By way of example: The FY2021 HUD Very Low-Income Limit for a 1 person household is $41,400 thus the gross monthly rent for a Studio/Efficiency Unit is ($41,400 x 30%) / 12 = **$1,035**. The FY2021 HUD Very Low-Income Limit for a 1.5 person household is the 1 person Low- Income Limit plus the 2 person Very Low-Income Limit, divided by two thus the gross monthly rent for a 1 Bedroom Unit is (($41,400 + $47,300) /2) x 30%) / 12 = **$1,108**. The FY2021 HUD Very Low-Income Limit for a 3 person household is $53,200 thus the gross monthly rent for a 2 Bedroom Unit is ($53,200 x 30%) / 12 = **$1,330**.

EXHIBIT C
DESIGNATED RESTRICTED UNITS

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.11

TITLE:

Second reading of Ordinance Adopting an Amendment to the Smoky Hollow Specific Plan (Specific Plan Amendment No. 21-02) to Allow for Increased Building Heights within a Designated Subarea of the Smoky Hollow Specific Plan Area Subject to the Approval of a Tier II Community Benefits Plan.

RECOMMENDATION:

1. Waive second reading and adopt an Ordinance amending the Smoky Hollow Specific Plan (Specific Plan Amendment No. 21-02) to allow for increased building heights within a designated subarea of the Smoky Hollow Specific Plan Area, subject to approval of a Tier II Community Benefits Plan.

FISCAL IMPACT:

There are no direct fiscal impacts associated with this Smoky Hollow Specific Plan Amendment. A Community Benefits Analysis Reports (prepared by Kosmont Companies, a financial consultant) for both sites show that the Project is expected to generate economic and community benefits in excess of the Project's value. The reports indicate that the Project will provide certain fiscal and economic benefits, such as: contributions to the General Fund including an increase in annual taxes, an increase in annual retail sales, and an increase in annual sales and business license fees.

BACKGROUND:

On March 15, 2022, City Council adopted resolutions approving a mitigated negative declaration and associated entitlements to facilitate development of approximately 90,000 square feet of office space at the Standard Works project site located at 1475 E. El Segundo Boulevard and 1320-1330 E Franklin Avenue. City Council also introduced an Ordinance approving an amendment to the Smoky Hollow Specific Plan to allow for increased building heights within a designated subarea of the Smoky Hollow Specific Plan Area, subject to approval of a Tier II Community Benefits Plan, which was approved with the suite of resolutions that evening. The second reading and adoption of the Ordinance was scheduled for the April 19, 2022 regular City Council meeting.

DISCUSSION:

City Council may waive the second reading and adopt the Ordinance without further discussion. If the Ordinance is adopted by City Council at its April 19, 2022 meeting, the effective date of the Ordinance will be May 20, 2022, which is 30 days from the adoption date.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

PREPARED BY:
Eduardo Schonborn, AICP, Planning Manager
REVIEWED BY:
Michael Allen, AICP, Development Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Ordinance amending the Smoky Hollow Specific Plan

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO APPROVING SPECIFIC PLAN AMENDMENT NO. 21-02 TO MODIFY PORTIONS OF THE SMOKY HOLLOW SPECIFIC PLAN TO ALLOW FOR INCREASED BUILDING HEIGHTS WITHIN A DESIGNATED SUBAREA OF THE SMOKY HOLLOW SPECIFIC PLAN AREA SUBJECT TO THE APPROVAL OF A TIER II COMMUNITY BENEFITS PLAN

The City Council of the city of El Segundo does ordain as follows:

SECTION 1: *Recitals.* The Council finds and declares as follows:

A. On August 31, 2020, Mark Telesz of Smoky Hollow Industries, LLC., filed an application for amendment to the Smoky Hollow Specific Plan (SPA) 21-02.

B. The City reviewed the project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, "CEQA"), the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq.*, the "CEQA Guidelines");

C. An Initial Study / Mitigated Negative Declaration (IS/MND) was prepared pursuant to the requirements of CEQA and the CEQA Guidelines;

D. The Development Services Department completed its review and noticed a public hearing regarding the application before the Planning Commission for January 27, 2022

E. On January 27, 2022, at the applicant's request, the Planning Commission continued the hearing to its regularly scheduled meeting on February 10, 2022.

F. On February 10, 2022, the Planning Commission held a public hearing to receive public testimony and other evidence regarding the application including, without limitation, information provided to the Planning Commission by city staff, and adopted Resolution No. 2913 recommending that the City Council approve the proposed Specific Plan Amendment with a recommendation to decrease the boundaries of the Designated Subarea by moving the eastern boundary to the west, from Center Street to Oregon Street;

G. On March 15, 2022, the City Council held a duly-noticed public hearing and considered public testimony, the information provided by City staff, and all other evidence in the administrative record regarding this Ordinance; and

H. This Ordinance and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its March 15, 2022 hearing and the staff report submitted by the Development Services Department.

SECTION 2*: Factual Findings and Conclusions*. The City Council finds as follows:

A. The Smoky Hollow Specific Plan (hereinafter, the "Specific Plan" or "SHSP") covers approximately 120 acres located in the northwest quadrant of the City, generally bounded by Standard Street to the west, El Segundo Boulevard to the south, Pacific Coast Highway to the east and Grand Avenue to the north;

B. The proposed amendment to the Specific Plan would amend the development standards to increase the maximum permissible height of buildings within a designated subarea of the SHSP Area from 50 feet to 60 feet. Specifically, the amendment would modify the height development standard for Tier II Community Benefit Plan qualifying projects within an approximate 20.9-acre area located in the Smoky Hollow East and Public Facility zoning districts bounded by Oregon Street to the west, E. Franklin Avenue to the north, Pacific Coast Highway [formerly Sepulveda Blvd.] to the east, and E. El Segundo Blvd. the south.

SECTION 3: *Specific Plan and General Plan Consistency Findings*. Based on the information in the staff report and in the administrative record as a whole, the City Council hereby finds that the proposed amendment to the Smoky Hollow Specific Plan will further the goals, policies and objectives of the General Plan and will not obstruct their attainment. More specifically:

A. The proposed Specific Plan Amendment would make relatively minor changes to the SHSP, allowing for buildings up to 60 feet (an increase of 10 feet above the current maximum height of 50 feet) within a 20.9-acre subarea of the SHSP, subject to the approval of a Tier II Community Benefits Plan (a discretionary approval). The proposed Specific Plan Amendment would be consistent with the existing Smoky Hollow Design Guidelines for enhancing building character such as conveying a sense of old and new, building upon the existing context, conserving and retaining character defining features, encouraging additions that differentiate and are secondary to the bulk and mass of existing buildings, and encouraging 360-degree architecture.

B. The Specific Plan Amendment will provide additional flexibility and options for advancing the goals and objectives of the Specific Plan itself, particularly for projects that propose to maintain the existing character of the area by preserve portions of existing buildings.

C. The proposed amendment to the SHSP will directly advance the following objectives and policies of the General Plan:

Economic Development Element

Objective ED1-2: Center diversification efforts on targeted industries that meet the City's criteria for job creation, growth potential, fiscal impact, and fit with local resources.

Policy ED1-2.1: Seek to expand El Segundo's retail and commercial base so that the diverse needs of the City's business and residential communities are met.

The proposed amendment is consistent with the General Plan's Economic Development Element and directly implements and furthers the General Plan's goals, objectives and policies above because it promotes economic development, job creation, and improves the City's tax base through inclusion of office, and research and development land uses within the Smoky Hollow Specific Plan area.

Land Use Element

Objective LU4-4: Provide areas where development has the flexibility to mix uses, in an effort to provide synergistic relationships which have the potential to maximize economic benefit, reduce traffic impacts, and encourage pedestrian environments.

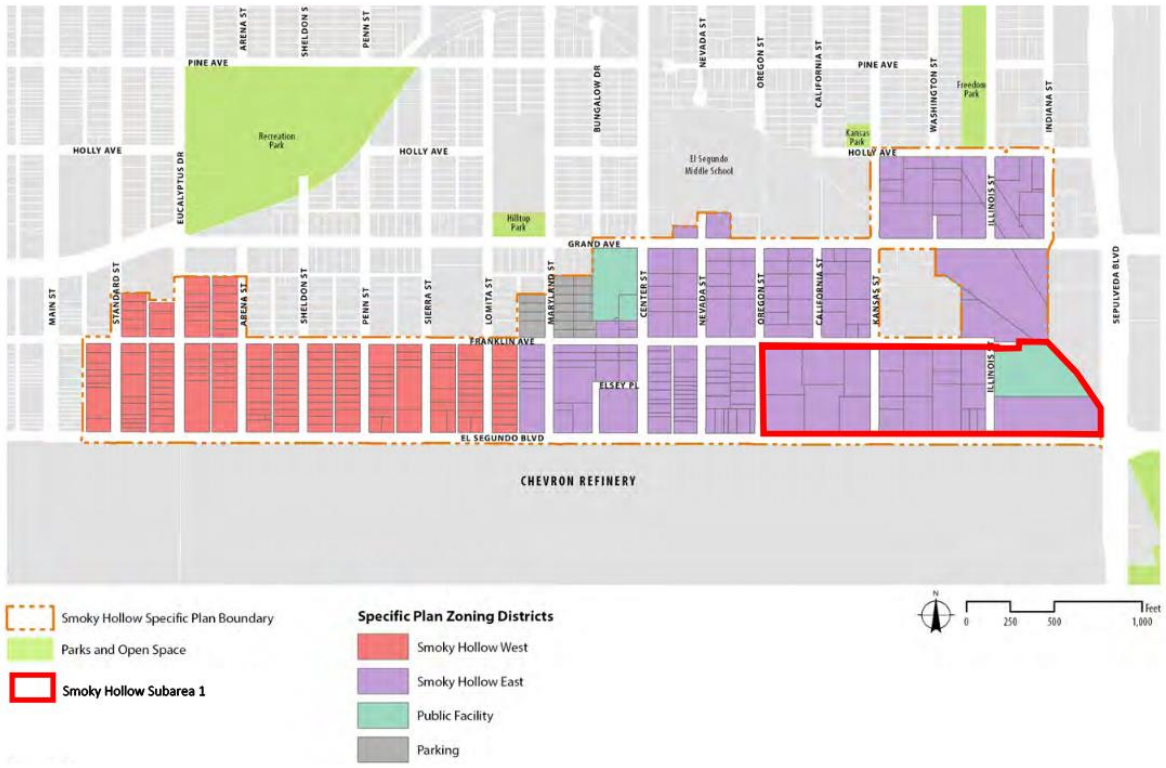
D. The proposed amendment is consistent with the General Plan's Land Use Element and directly implements and furthers the General Plan's goals, objectives and policies above because the proposed 10 feet height increase would not detract from or create an impediment to the intent and implementation of the Smoky Hollow Specific Plan. By allowing the additional height, in conjunction with a Community Benefits Plan as required, the additional height will allow more flexibility in the design of new buildings and help promote the retention of the existing buildings to be incorporated into the design of substantial additions. Each new building would be evaluated on its own merit to ensure high quality design and for compatibly with its surroundings. The allowance of the additional height would also promote new uses and building into the context of the overall Smoky Hollow Specific Plan area and will introduce new architectural styles, enliven the area, and create positive direct and indirect economic impacts consistent with Objective LU4-4.

SECTION 4*: Environmental Assessment.* An Initial Study/Mitigated Negative (IS/MND) Declaration has been prepared to analyze the potential environmental effects of the

proposed Specific Plan Amendment. On February 10, 2022, the Planning Commission adopted Resolution No. 2912 recommending that the City Council approve the IS/MND. Prior to taking action on this Ordinance, the City Council adopted Resolution No. ____ approving the IS/MND and the corresponding Mitigation Monitoring and Reporting Program. The findings and conclusions of Resolution No. ____ are incorporated herein as though fully set forth.

SECTION 5: Figure 2-1 (Zoning Districts) of the SHSP is superseded and replaced with the revised Figure 2-1 below, which indicates the boundary of the newly-created Smoky Hollow Subarea 1 bounded on the west by Oregon Street, E. Franklin Ave to the north, Pacific Coast Highway (PCH) [formerly Sepulveda Blvd.] to the east, and E. El Segundo Blvd. to the south.

Figure 2-1: Zoning Districts



Section 6: The first paragraph of SHSP Section 2.3.2 (Development Tiers and Community Benefits) is hereby amended to delete the final sentence. The resulting paragraph reads as follows:

> "The base development standards listed in Table 2-2 represent the minimum project requirements. New development that proposes to exceed the base standard for height, density, or any other development standard

beyond the minor deviation threshold allowed by Section 4.5.1 Administrative Adjustment shall in return provide community benefits that enhance Smoky Hollow's character and experience."

Section 7: Table 2-2 (Building Intensity and Height Standards by Zoning District) is superseded and replaced with the revised Table 2-2 set forth below, which adds development standards for the newly-created Smoky Hollow Subarea 1.

Table 2-2: Building Intensity and Height Standards by Zoning District

Development Standard		Smoky Hollow West	Smoky Hollow East	Smoky Hollow Subarea 1	Parking
A. FAR Standards					
1. Allowable Gross Floor Area Ratio (FAR) [1]	Base Standard	0.75	1.0		0.15 [2]
	Community Benefits Tier I [3]	1.5			N/A
	Community Benefits Tier II [3]	>1.5			N/A
B. Height Standards					
1. Maximum Building Height	Base Standard	35 ft			
	Community Benefits Tier II [3]	50 ft		60 ft [4]	50 ft
2. Parapet Height		May exceed maximum building height by 5 ft			

Notes:

sf = square feet; ft = feet

1. FAR shall be calculated using gross floor area of structures, as defined in Appendix A.
2. FAR in the P zone is applicable only to non-parking facility uses.
3. See 4.5.2: Community Benefits Plan.
4. See Figure 2-1: Zoning Districts for Subarea delineation.

Section 8: Table 2-6 (Parking Standards by Zoning District) is superseded and replaced with the revised Table 2-6 below, which replaces the reference to the "2016 California Green Building Standards Code" in subsection H.4 (Bicycle Parking) with a reference to "the most current California Green Building Standards Code."

Table 2-6: Parking Standards by Zoning District

Development Standard	Smoky Hollow West	Smoky Hollow East	Parking
H. Private Parking Standards			
1. New Construction and Change of Occupancy[1]	2.5 spaces per 1,000 sf gross floor area. Shall be on-site, off-site per covenanted agreement, or addressed through payment of in-lieu fees, per ESMC Section 15-15-6D.		
2. Additions to Buildings	2.5 spaces per 1,000 sf gross floor area (addition only). Shall be on-site, off-site per covenanted agreement, or addressed through payment of in-lieu fees, per ESMC Section 15-15-6D.		
3. Tandem Parking	Tandem spaces shall have a maximum length of 40 feet (parking for 2 vehicles maximum).		
4. Bicycle Parking[2]	Consistent with Section 5.106.4 of the most current California Green Building Standards Code: New projects anticipated to generate visitor traffic shall provide one 2-bike capacity rack for 5% of new visitor motorized vehicle parking spaces being added, with a minimum of one 2-bike capacity rack. Additions or alterations that add 9 or fewer visitor vehicle parking spaces are excluded. New buildings with 10 or more tenant-occupants or additions or alterations that add 10 or more tenant vehicle parking spaces shall provide secure bicycle parking for 5% of the tenant vehicle parking spaces being added, with a minimum of one secure bicycle parking space. Acceptable parking facilities shall be convenient from the street and shall meet one of the following: .a. Covered, lockable enclosures with permanently anchored racks for bicycles; b. Lockable bicycle rooms with permanently anchored racks; or c. Lockable, permanently anchored bicycle lockers.		
5. Other Parking Area Development Standards[1]	Refer to ESMC Sections 15-15-1 through 15-15-5.		

Notes:
1. Parking requirements in the Parking Zoning District apply only to non-parking uses.
2. Bicycle parking standards shall apply to new construction, additions, and alterations, but shall not apply to change of occupancy or use.

Section 9: Table 4-1 (Community Benefits Plan) of Section 4.5.2 of SHSP is superseded and replaced with the revised Table 4-1 below, which modifies the “Applicable Projects” and “Findings” columns for Tier II Community Benefits to indicate that a building height deviation of up to 60 feet is available within the newly-added SHSP Subarea 1.

Table 4-1: Community Benefits Plan

Community Benefits Tiers	Review/Approval Authority	Applicable Projects	Findings
Community Benefits Tier I	Planning Commission	Projects that include any of the following components shall be considered under the Tier I review process: A. FAR deviation up to 1.5 B. One or more deviations to standards that exceed the minor deviation threshold (10%) allowed by Section 4.5.1 Administrative Adjustment	A Community Benefits Plan for Tier I may be approved if the following findings are made: A. The proposed additional building intensity or deviation from development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; and B. The proposed community benefit provides exemplary project and/or streetscape design; and C. The proposed community benefit directly implements objectives of the Specific Plan.
Community Benefits Tier II	City Council	Projects that include any of the following components shall be considered under the Tier II review process: A. Building height deviation up to 50 feet (or 60 feet in Subarea 1 as delineated in Figure 2-1, Zoning Districts) B. FAR > 1.5 C. Three or more deviations to standards that exceed the minor deviation threshold (10%) allowed by Section 4.5.1 Administrative Adjustment	A Community Benefits Plan for Tier II may be approved if the following findings are made: A. All findings in Tier I; and B. The proposed additional building height, intensity, or deviation from development standards would not be detrimental to the public health, safety or welfare, or materially injurious to properties or improvements in the vicinity; C. The value of the community benefits bear a relationship to the value generated by the project; and D. The community benefits proposed do not principally benefit the project or occupants of the project, but rather provide a district or area-wide benefit to the larger Smoky Hollow Plan area.

SECTION 10: A complete copy of the Smoky Hollow Specific Plan as amended herein is attached hereto as Exhibit A.

SECTION 11*: CONSTRUCTION*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 12: *ENFORCEABILITY*. Repeal of any provision of the SHSP does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 13*: VALIDITY OF PREVIOUS CODE SECTIONS*. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the SHSP or other city ordinance by this Ordinance will be rendered void and cause such previous SHSP provision or other the city ordinance to remain in full force and effect for all purposes.

SECTION 14*: SEVERABILITY.* If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 15: The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause a summary thereof to be published or posted in accordance with California law.

SECTION 16: This Ordinance shall take effect 30 days after its passage and adoption.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

APPROVED AS TO FORM:

By: _____
Mark D. Hensley, City Attorney

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance No. _____ was duly introduced by said City Council at a regular meeting held on the ___ day of _____ 2022, and was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.12

TITLE:

Ordinance Approving an El Segundo Police Department Military Equipment Use Policy

RECOMMENDATION:

1. Waive the first reading and introduce an ordinance approving an El Segundo Police Department military equipment use policy in accordance with California Assembly Bill 481.

2. Schedule the second reading of the ordinance at the next regular City Council meeting on May 3, 2022.

FISCAL IMPACT:

None.

BACKGROUND:

California Assembly Bill No. 481 ("AB 481") added Government Code §§ 7070-7075 and took effect on January 1, 2022. AB 481 generally requires the legislative body associated with a local law enforcement agency to adopt a military equipment use policy (or "MEU Policy") via ordinance, before continuing use of military equipment in its inventory or acquiring additional military equipment (Gov. Code § 7071). May 1, 2022 is the deadline by which a local law enforcement agency must "commence a governing body approval process" for military equipment it acquired before January 1, 2022.

"Military equipment" is broadly defined in California Government Code § 7070(d) and does not necessarily indicate equipment used by the military. It includes, without limitation, equipment such as: unmanned aerial or ground vehicles; armored vehicles; command and control vehicles; pepper balls; less lethal shotguns; less lethal 40 mm projectile launchers; long-range acoustic devices; and flashbangs. The list of items considered "military equipment" includes equipment employed by many law enforcement agencies throughout the country as best practices to ensure public and officer safety.

DISCUSSION:

ESPD staff has prepared the proposed MEU Policy in accordance with state law requirements and submits it for City Council adoption via the proposed ordinance prepared by the City Attorney's office. ESPD staff provided for timely posting of the draft MEU Policy on the City's website on March 17, 2022, and concurrently submitted the proposed MEU Policy to the City Council for review.

If approved for first reading as recommended in this report, the ordinance would be scheduled for a second reading and prospective adoption at the next regular City Council meeting on May 3, 2022. If adopted, the Ordinance would be effective 30 days after adoption.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

PREPARED BY:
Hugo Perez, Police Captain
REVIEWED BY:
Jaime Bermudez, Police Chief
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. ES - AB 481 - MEU Policy Ordinance
2. Attachment to SR - Text of AB 481

UNCODIFIED ORDINANCE NO. _____

AN ORDINANCE ADOPTING A MILITARY EQUIPMENT USE POLICY.

The City Council of the city of El Segundo does ordain as follows:

SECTION 1. *Findings.* The City Council finds, determines, and declares as follows:

A. Assembly Bill 481 ("AB 481"), codified at Government Code §§ 7070 through 7075, requires City Council adoption, via ordinance, of a military equipment use policy ("MEU Policy") at a regular meeting prior to taking certain actions related to the funding, acquisition, or use of military equipment, including without limitation, the continued use of military equipment acquired before January 1, 2022.

B. The City Council seeks to approve a MEU Policy consistent with AB 481 by adopting this Ordinance.

C. Pursuant to Government Code § 7071(a)(2), the City Council conducted a first reading of the proposed MEU Policy ordinance on April 19, 2022, and the El Segundo Police Department ("ESPD") staff submitted the policy to the City Council and made MEU Policy documents publicly available on the City's website for at least 30 days prior, beginning on March 17, 2022.

SECTION 2. *Adoption of MEU Policy.* The City Council adopts the proposed MEU Policy, attached hereto as Exhibit "A" and incorporated by this reference, based upon the totality of evidence in the record based upon the findings set forth below, in accordance with Government Code § 7071(d)(1).

A. The military equipment described in the City's MEU Policy is necessary because there is no reasonable alternative that can achieve the same objective of ESPD officer and civilian safety.

B. The City's MEU Policy will safeguard the public's welfare, safety, civil rights, and civil liberties.

C. Any military equipment to be purchased will be reasonably cost effective compared to reasonably alternatives that can achieve the same objective of ESPD officer and civilian safety.

D. ESPD's prior use of military equipment complied with applicable

use policies.

SECTION 3. *Annual Review; Policy Posting.* The City Council directs the ESPD Police Chief, or designee, to:

A. Present this Ordinance to the City Council for its annual review where it will vote on whether to renew this Ordinance, beginning within one year of the effective date of this Ordinance (Gov. Code, § 7071(e)(1)).

B. Submit an annual MEU Policy equipment report to the City Council for the body to consider compliance with the MEU Policy, beginning within one year of the effective date of this Ordinance, to assist with the City Council's review of this Ordinance as described in paragraph A, above.

C. Conduct a well-publicized and conveniently located community engagement meeting at least 30 days prior to submitting the annual report, as described in paragraph B above, to the City Council (Gov. Code, § 7072(b)).

D. Post the City's adopted MEU Policy on the City's website as long as associated military equipment is in ESPD use (Gov. Code, § 7071(d)(2)).

E. Post each annual report, as described in paragraph B above, on the City's website for as associated military equipment is in ESPD use (Gov. Code, § 7072(a)).

SECTION 4. *Environmental Assessment.* Adoption of this Ordinance is exempt from further environmental review under the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq., "CEQA") and CEQA Guidelines (14 Cal. Code of Regs., § 15000 et seq., "CEQA Guidelines") because the Ordinance concerns general policies and procedures and therefore, pursuant to CEQA Guidelines § 15061(b)(3), it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment.

SECTION 5. *Repeal and Supersession.* The City Council adopts this Ordinance with the specific intent of superseding any contrary regulation or administrative policy and procedure. Consequently, all regulations that conflict with this Ordinance are repealed.

SECTION 6. *Construction.* This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and

others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7. *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. *Publication.* The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with state law.

SECTION 9. *Effective Date.* This Ordinance will become effective 30 days after adoption.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM
MARK D. HENSLEY, CITY ATTORNEY

By: _____
Joaquin Vazquez, Deputy City Attorney

EXHIBIT "A"
MEU Policy

Military Equipment

708.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

708.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

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708.2 POLICY

It is the policy of the El Segundo Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

708.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police should designate a member of this department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

(a) Acting as liaison to the governing body for matters related to the requirements of this policy.

(b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.

(c) Conducting an inventory of all military equipment at least annually.

(d) Collaborating with any allied agency that may use military equipment within the jurisdiction of El Segundo Police Department (Government Code § 7071).

(e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:

1. Publicizing the details of the meeting.
2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.

(f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).

(g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

708.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department:

See attachment: Military Equipment Inventory.pdf

708.5 APPROVAL

The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

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(a) Requesting military equipment made available pursuant to 10 USC § 2576a.

(b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.

(e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.

(f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.

(g) Acquiring military equipment through any means not provided above.

708.6 COORDINATION WITH OTHER JURISDICTIONS

Military Equipment used by any member of this jurisdiction shall be approved for use in accordance with the El Segundo Police Department. Military equipment used by other jurisdictions that are providing mutual aid to this jurisdiction shall comply with their respective military equipment use policies in rendering mutual aid.

708.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

708.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

708.9 COMPLIANCE

The El Segundo Police Department Administrative Division will ensure that all Department members comply with this policy. The Administration Division will conduct an annual audit with

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the assistance of the Range Staff. The Chief of Police or designee will be notified of any policy violations and, if needed, the violation(s) will be referred to the Administrative Division and handled in accordance with El Segundo Police Department's Policy and Procedures. All instances of non-compliance will be reported to City Council via the annual military equipment report.

Any member of the public can register a question or concern regarding military use equipment by contacting the El Segundo's Police Department's Administrative Division.

Any member of the public can submit a complaint to any member of the Department and in any form (i.e. in person, telephone, email, etc.). Once the complaint is received, it should be routed to the Administrative Division, 348 Main Street, El Segundo, California 90245, (310) 524-2200.

City of El Segundo

Administrative Division

348 Main Street

El Segundo, California 90245

(310) 524-2200

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Attachments

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Military Equipment Inventory.pdf

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El Segundo Police Department
Military Equipment List

Armored Vehicles:

Type: *Tactical Humvee*

Quantity: 1

Cost: $0 (Acquired through the 10-33 Military Program)

Lifespan: 20+ years based on maintenance care

Capabilities: The Humvee can support first responders in any hazardous, high risk, or critical incident which would benefit from having a vehicle that provides a high level of ballistic protection.

Manufacturer's Description: The high-mobility multipurpose wheeled vehicle (HMMWV or Humvee) is a tactical vehicle designed and produced to replace the US Army's current tactical vehicles in the 0.25t to 1.25t range. It is manufactured by AM General LLC at its Mishawaka industrial plant. More than 50 countries and military organizations operate these vehicles.

Purpose: The purpose of the Humvee is to provide protection for the SWAT members in high risk or critical incidents such as, serving high risk search warrants or arrest warrants of dangerous subjects.

Authorized uses: The Humvee is to be used exclusively by the SWAT unit. These uses could include active shooters, armed barricaded suspects, hostage situations, high-risk tactical operations, disaster response, officer/citizen rescues.

Fiscal Impact: $500 (Maintenance Costs)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy-300 Use of Force.

Training: Oversized SWAT and Police Vehicle Safety and Operation Training. This training is put on by the California Truck Driving Academy.

Explosive Breaching Tool:

Type: *Remington 870 Magnum 12 Gauge Shot Lock. SN LM010456*
Ammo: (Quantity:58) 12 Gauge, Avon, Breaching Round, Part #3105

Quantity: 1

Cost: $700

Lifespan: N/A

Capabilities: This tool allows for officers to safely utilize shotgun breaching rounds to destroy deadbolts, locks, and hinges. The stand-off that is attached to the end of the barrel allows for positive placement of the device into the correct position and vents gasses to prevent overpressure. This device can also defeat windows and sliding glass doors with a flash bang round.

Manufacturer's Description: The Remington 870 family of shotguns was first introduced by Remington in the 1950s and since, has become one of the most popular USA-made pump action shotguns ever. Sales of the 870 reached over 7 million guns by 1996 and have since continued to grow. This particular model is configured with a pistol grip and a door-breaching accessory threaded into the barrel making it ideal for forceful entry situations.

Purpose: During crisis situations, it may become necessary for a SWAT team to facilitate an entry into a target location. It is critical the point of entry is breached quickly and as safely as possible. A quick and effective breach is one key to a successful tactical mission. In some instances, an explosive breach may be required to provide an added degree of safety and tactical advantage in order to accomplish a mission.

Authorized uses: An Explosive Breach should only be utilized after taking into consideration the overall mission, officer and citizen safety, the overall construction of the structure, the presence of unstable chemicals, explosives or incendiary materials, and whether other means of mechanical breaching would be effective and safe to use. The option to use an explosive breach shall be at the discretion of the SWAT Team Leader with the approval of the SWAT or Incident Commander.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and f federal laws and Lexipol Policy-300 Use of Force.

Training: Only SWAT Officers that are certified Explosive Breachers are authorized to utilize explosive breaching tools. SWAT Explosive Breachers must successfully complete an 80 hour SWAT Academy and must attend extensive POST certified Explosive Breaching Courses.

Projectile Launcher Platforms:

Type: *40mm, Single shot launchers. SN# D37725, SN# D36314, SN# 19782 and SN# D37841*

Quantity: 4

Cost: $835 each

Lifespan: N/A

Capabilities: 40mm launchers are capable of firing a variety of munitions with a maximum effective range of one hundred twenty (120) feet. 40mm launchers can deliver 40mm munitions in the form of chemical agents, sponge baton rounds, or combined use sponge baton OC chemical agent rounds.

Manufacturer's Description: The 40LMTS is a tactical 40mm single shot launcher that features an expandable stock and an adjustable Integrated Front Grip (IFG) with a light rail. The Ambidextrous Lateral Sling Mount (LSM) and QD mounting systems allow both a single and two point sling attachment. The 40LMTS will fire standard 40mm Less Lethal ammunition, up to 4.8 inches in cartridge length. This weapon is NOT designed to fire 40mm High Velocity HE ammunition. The Picatinny Rail Mounting System will accept a wide array of enhanced optics/sighting systems.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon. (Policy 303.6 Kinetic Energy Projectiles and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, and Policy 300 Use of Force.

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile

launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Type: *Penn Arms, Model # PG5, 40mm, Pump action, Multi-Shot (6) launcher, SN 3131*

Quantity: 1

Cost: $2,000

Lifespan: N/A

Capabilities: 40mm launchers are capable of firing a variety of munitions with a maximum effective range of one hundred twenty (120) feet. 40mm launchers can deliver 40mm munitions in the form of chemical agents, sponge baton rounds, or combined use sponge baton OC chemical agent rounds.

Manufacturer's Description: A 40mm pump-action advance magazine drum launcher with a fixed stock and combo rail. It has a six-shot capacity and rifled barrel.
Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon. (Policy 303.6 Kinetic Energy Projectiles and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, and Policy 300 Use of Force.

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Specialty Impact Munitions (SIM):

Type: *Direct Impact 40mm OC Crushable Foam Round – Part# 6320*

Quantity: 233

Cost: $18.25 each

Lifespan: 5 years from date of manufacture

Capability: 40mm launchers are capable of firing a variety of munitions with a minimum effective range of five (5) feet and a maximum effective range of one hundred twenty (120) feet. 40mm launchers can deliver 40mm munitions in the form of chemical agents, sponge baton rounds, or combined use sponge baton OC chemical agent rounds.

Manufacturer's Description: The 40mm Direct Impact® Round has evolved from Defense Technology® design of the eXact iMpact™. This lightweight, high-speed projectile consists of a plastic body and a crushable foam nose which is spin stabilized via the incorporated rifling collar and the 40mm launcher's rifled barrel. The rounds utilize smokeless powder as the propellant and have velocities that are extremely consistent. The 40mm Direct Impact® Round consists of a plastic body and a crushable foam nose that contains a powder payload. This payload area can hold inert, marking, OC or CS powder. The crushable foam nose dissipates energy upon impact while releasing the powder payload.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation. The Direct Impact OC round additionally brings the effects of an irritant powder, maximizing the potential for incapacitation. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon, within the force guidelines of Department Procedure (Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic

Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Type: *Exact Impact 40mm Standard Range Sponge Round-Part# 6425*

Quantity: 238

Cost: $17 each

Lifespan: 5 years from date of manufacture

Capability: 40mm launchers are capable of firing a variety of munitions with a minimum effective range of five (5) feet and a maximum effective range of one hundred twenty (120) feet. 40mm launchers can deliver 40mm munitions in the form of chemical agents, sponge baton rounds, or combined use sponge baton OC chemical agent rounds.

Manufacturer's Description: The 40mm eXact iMpact™ Sponge Round has evolved from the design of the 40mm XM1006 projectile, developed by the US Army Research Laboratory. This lightweight, high-speed projectile incorporates a plastic body and a foam (sponge) nose which is spin stabilized via the incorporated rifling collar and the 40mm launcher's rifled barrel. The round utilizes smokeless powder as the propellant and has velocities that are extremely consistent. The 40mm eXact iMpact™ Sponge Round is a "point-of-aim, point-of-impact" direct fire round that is most commonly used by tactical teams in situations where maximum deliverable energy is desired for the incapacitation of an aggressive, non-compliant subject. In many municipalities, these are being selected for both tactical call outs and as an available option for patrol.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation. The Direct Impact OC round additionally brings the effects of an irritant powder, maximizing the potential for incapacitation. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-

threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon, within the force guidelines of Department Procedure (Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Type: *Exact Impact 40mm Extended Range Sponge Round- Part# 6325LE*

Quantity: 15

Cost: $19 each

Lifespan: 5 years from date of manufacture

Capability: 40mm launchers are capable of firing a variety of munitions. The minimum effective range is thirty three (33) feet and the maximum effective range of the extended range sponge round is two hundred thirty (230) feet. 40mm launchers can deliver 40mm munitions in the form of chemical agents, sponge baton rounds, or combined use sponge baton OC chemical agent rounds.

Manufacturer's Description: The 40mm eXact iMpact™ Extended Range Round has evolved from the Defense Technology® design of the eXact iMpact™. This lightweight, high-speed projectile incorporates a plastic body and a foam (sponge) nose which is spin stabilized via the incorporated rifling collar and the 40mm launcher's rifled barrel. The round utilizes smokeless powder as the propellant and has velocities that are extremely consistent. The 40mm eXact iMpact™ Extended Range Round is a "point-of-aim, point-of-impact" direct fire round that is most commonly used by tactical teams in situations where greater accuracy and deliverable energy is desired for the incapacitation of an aggressive, non-compliant subject at longer distances.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation. The Direct Impact OC round additionally brings the effects of an irritant powder, maximizing the potential for incapacitation. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon, within the force guidelines of Department Procedure (Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Type: *40 mm Stinger 60-Cal Rubber Ball Smokeless Powder Round-Part# 6097*

Quantity: 98

Cost: $20.49 each

Lifespan: 5 years from date of manufacture

Capability: The Stinger 40mm, 60-Caliber Round is intended to be skipped or directly fired at the discretion of the operator. It is most suitable at close to moderate ranges of fire, approximately 15 to 40 feet.

Manufacturer's Description: The Stinger® 40mm, 60-Caliber Round incorporates a 4.8-inch casing that contains approximately eighteen (18) rubber balls. It differs from its 37mm counterpart in that it utilizes smokeless powder as the propellant and therefore has velocities that are considerably more consistent

and have tighter patterns. The Stinger® 40mm, 60-Caliber Round is most widely used as a crowd management tool by Law Enforcement and Corrections. The round is generally deployed in low trajectories or skip fired in the general direction (non-target specific) of the intended targets. It is suitable for administering a means of pain compliance over a greater distance than its counterpart, the Stinger® 32 Cal. Round. Like the Stinger® 32 Cal., the Stinger® 60 Cal. Round is not well suited as a dynamic, high-energy single subject round for the purposes of incapacitation.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation. The Stinger 40mm, 60-Caliber Round is a pain compliance round for crowd control. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon, within the force guidelines of Department Procedure (Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force.

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

Type: *Ferret 40mm CS Liquid Projectile-Part # 1262 (Newer version is Part # 2292.*

Quantity: 46

Cost: $23 each

Lifespan: 5 years from date of manufacture

Capability: The effective range of the Ferret 40mm CS Powder Barricade Penetrating Projectile is fifty-four (54) yards.

Manufacturer's Description: The Ferret 40mm Round is a frangible projectile filled with chemical agent. It is designed to deliver chemical agents in barricade situations from a 40mm launcher. Spin stabilization from barrel rifling affords maximum stand-off distance and accuracy for safety. The Ferret® 40mm Round is non-burning and suitable for indoor use. Used primarily by tactical teams, it is designed to penetrate barriers, such as windows, hollow core doors, wallboard and thin plywood. Upon impacting the barrier, the nose cone ruptures and instantaneously delivers a small chemical payload inside of a structure or vehicle.

Purpose: Kinetic energy projectiles, when used properly, are less likely to result in death or serious physical injury and can be used in an attempt to de-escalate a potentially deadly situation. The Direct Impact OC round additionally brings the effects of an irritant powder, maximizing the potential for incapacitation. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Authorized Use: 40mm launchers utilized with less lethal sponge baton rounds may be deployed to impact subjects demonstrating assaultive behavior or life-threatening behavior. 40mm launchers utilized with less lethal sponge baton rounds may also be used to control an actively resistive subject reasonably believed to possess or have immediate access to a deadly weapon, within the force guidelines of Department Procedure (Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force).

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.6 Kinetic Energy Projectiles, 303.8 Kinetic Energy Projectile Training, 303.10 Tear Gas Guidelines, 303.11 Pepper Projectile Systems, and Policy 300 Use of Force.

Training: Every sworn El Segundo Police Officer attends a less lethal refresher course every two years. The refresher course consists of reading the department policy on each less lethal device, overview of the use of force policy, nomenclature of the projector launcher device and live fire with the projectile launchers. Additionally, SWAT members train on the projectile launcher platforms numerous times throughout the year.

CS Munition #1:

Type: *Triple-Chaser, Separating Canister CS- Part# 1026*

Quantity: 50

Cost: $50 each

Lifespan: 5 years from date of manufacture

Capabilities: This device can be hand thrown or launched from a delivery system.

Manufacturer's Description: The Triple-Chaser consists of three separate canisters pressed together with separating charges between each. When deployed, the canisters separate and land approximately 20 feet apart allowing increased area coverage in a short period of time. This grenade can be hand thrown or launched from a fired delivery system. The grenade is 6.5 in. by 2.7 in. and holds an approximately 3.2 oz. of active agent payload. It has approximate burn time of 20-30 seconds.

Lifespan: 5 year manufacturer warranty

Purpose: The Triple-Chaser CS is used as crowd management in an outdoor setting.

Authorized Uses: Tear gas may be used for crowd control, crowd dispersal or against barricaded suspects based on the circumstances. Only the Watch Commander, Incident Commander or SWAT Lieutenant may authorize the delivery and use of tear gas, and only after evaluating all conditions known at the time and determining that such force reasonably appears justified and necessary. When practicable, fire personnel should be alerted or summoned to the scene prior to the deployment of tear gas to control any fires and to assist in providing medical aid or gas evacuation if needed.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Pocket Tactical device. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them. South Bay Platoon officers can also use them. They train on crowd control scenarios once a year.

CS Munition #2

Type: *Pocket Tactical CS Saf-Smoke - Part# 1017*

Quantity: 20

Cost: $22.67 each

Lifespan: 5 years from date of manufacture

Capabilities: The Pocket Tactical is a small lightweight easily carried device that provides a medium volume of chemical agent or smoke for certain situations.

Manufacturer's Description: The Pocket Tactical Grenade is a quick burning, reduced volume, continuous discharge grenade available in OC, CN, CS, and Saf-Smoke™. Pelletized chemical agent or smoke is discharged through one (1) gas port located on the bottom of the canister. The Pocket Tactical Grenade is a small, lightweight, easily carried device that provides a medium volume of chemical agent or smoke for certain situations. It was designed with the tactical team in mind for distraction, concealment, rescue, or signaling.

Purpose: The Pocket Tactical was designed with the tactical team in mind and can be used for distraction, concealment, rescue, or signaling. Additionally, the Pocket Tactical may be used to dislodge barricaded suspects from confined areas. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines.

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Pocket Tactical device. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them.

CS Munition #3

Type: *Pocket Tactical CS- Part# 1016*

Quantity: 14

Cost: $22 each

Lifespan: 5 years from date of manufacture
Capabilities: The Pocket Tactical is a small lightweight easily carried device that provides a medium volume of chemical agent or smoke for certain situations.

Manufacturer's Description: The Pocket Tactical Grenade is a quick burning, reduced volume, continuous discharge grenade available in OC, CN, CS, and Saf-Smoke™. Pelletized chemical agent or smoke is discharged through one (1) gas port located on the bottom of the canister. The Pocket Tactical Grenade is a small, lightweight, easily carried device that provides a medium volume of chemical agent or smoke for certain situations. It was designed with the tactical team in mind for distraction, concealment, rescue, or signaling. The pocket grenade is not specifically intended as a crowd management device; however, it can be used in chemical configurations in conjunction with larger smoke canisters to "piggy back" chemical agent into a predominately smoke environment. This device should be deployed utilizing wind advantage. It should NOT be deployed onto rooftops, in crawl spaces, or indoors due to its fire-producing capability. Hand throw or launch. The fuze should be removed prior to inserting the grenade into the launching cup, and then the open threaded end is inserted into the launching cup first. Launching of grenades will provide deploying officers additional standoff distances. This small canister affords good coverage and may also be used as a distraction device. It may also be used as a distraction to focus attention away from other activities.

Purpose: The Pocket Tactical was designed with the tactical team in mind and can be used for distraction, concealment, rescue, or signaling. Additionally, the Pocket Tactical may be used to dislodge barricaded suspects from confined areas. Its purpose is to minimize the risk to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Pocket Tactical device. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them.

CS Munition #4

Type: *Flameless Tri-Chamber, CS- Part# 1032*

Quantity: 13

Cost: $45 each

Lifespan: 5 years from date of manufacture

Capabilities: The design of the Tri-Chamber Flameless CS Grenade allows the contents to burn within an internal can and disperse the agent safely with reduced risk of fire. The grenade is designed primarily for indoor tactical situations to detect and/or dislodge a barricaded subject. This grenade will deliver approximately.70 oz of agent during its 20-25 seconds of burn time. The Tri-Chamber Flameless Grenade can be used in crowd control as well as tactical deployment situations by Law Enforcement and Corrections, but was designed with the barricade situation in mind. Its applications in tactical situations are primarily to detect and/or dislodge barricaded subjects

Manufacturer's Description: The Tri-Chamber Flameless Grenade is designed for indoor use. This grenade's pyrotechnic contents are burned within an internal can that is one of three in this design. The internal combustion allows the chemical-laden smoke to be released through three (3) ports on the outer canister side while safely containing any of the fire-producing properties within the two internal canisters. The fuze is shrouded to further protect surrounding materials from the possibility of fire.

Purpose: The purpose of the Tri-Chamber Flameless Grenade is to minimize the risks to all parties through pain compliance, temporary discomfort, and/or incapacitation of potentially violent or dangerous subjects. The Tri-Chamber Flameless Grenade provides the option of delivering a pyrotechnic chemical device indoors, maximizing the chemicals effectiveness via heat and vaporization, while minimizing or negating the chance of fire to the structure.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines.

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Tri-Chamber CS. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them.

CS Munition #5

Type: *Flameless Expulsion, CS- Part# 2042*

Quantity: 6

Cost: $50 each

Lifespan: 5 years from date of manufacture

Capabilities: The Flameless Expulsion CS device can be used in tactical deployment situations. Its applications include detection and/or dislodging barricaded subjects. The purpose of the Flameless Expulsion Grenade is to minimize the risks to all parties through pain compliance, temporary discomfort and/or incapacitation of potentially violent or dangerous subjects.

Manufacturer's Description: The CS Flameless Expulsion Grenade is a compact, non-pyrotechnic, chemical agent device that provides safe expulsion without risk of fire. It is safe to use inside of a residence. Unlike pyrotechnical grenades, this device's contents are expelled upon actuation of a CO2 cartridge that will affect a confined area of approximately 1500 square feet. This grenade is 7.5 in. by 1.65 in. and delivers approximately .16 oz. of active agent during its 3-second discharge time.

Purpose: To de-escalate a situation and lower the likelihood of lethal force. Situations for use of the less lethal weapon systems may include, but are not limited to, dangerous and/or combative individuals, riot/crowd control and civil unrest incidents, circumstances where a tactical advantage can be obtained, and potentially vicious animals.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Flameless Expulsion CS. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them.

CS Munition #6

Type: *Spede-Heat, CS- Part# 1072*

Quantity: 19

Cost: $25 each

Lifespan: 5 years from date of manufacture

Capabilities: Can be hand thrown, deployed via robot, launched, placed into a Gas Ram, Burn Safe and Munitions Pole.

Manufacturer's Description: The Spede-Heat CS Grenade is a high volume, continuous burn it expels its payload in approximately 20-40 seconds. The payload is discharged through four gas ports on top of the canister, three on the side and one on the bottom. This launchable grenade is 6.12 in. by 2.62 in. and holds approximately 2.9 oz. of active agent.

Purpose: To safely resolve critical situations such as violent civil unrest and high risk tactical operations

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 303.10 Tear Gas Guidelines

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Spede-Heat CS. SWAT Officers will conduct continued training with the use of hand deployed chemical agent devices during supplemental SWAT courses and trainings. Additionally, officers who have received P.O.S.T. certification in the use of chemical agents are authorized to use them.

Unmanned, Remotely Piloted Powered Aerial Vehicle:

UAS#1

Type: *DJI Phantom 4*

Quantity: 3

Cost: $7,339.48 (Total for all three drones)

Lifespan: 5 year manufacturer warranty

Capabilities: UAS can support first responders in any hazardous incident which would benefit from an aerial perspective. These uses could include search and

rescue, barricaded suspects or high-risk tactical operations, disaster response, and video and photographic documentation of a crime scene.

Manufacturer's Description: Featuring a 1-inch CMOS sensor that can shoot 4K/60fps videos and 20MP photos, the Phantom 4 Pro V2.0 grants filmmakers absolute creative freedom. The OcuSync 2.0 HD transmission system ensures stable connectivity and reliability, five directions of obstacle sensing ensures additional safety, and a dedicated remote controller with a built-in screen grants even greater precision and control. [1] A wide array of intelligent features makes flying that much easier. The Phantom 4 Pro V2.0 is a complete aerial imaging solution, designed for the professional creator.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#2

Type: *DJI Tello #1*

Quantity: 1

Cost: $100 per drone

Lifespan: 5 year manufacturer warranty

Capabilities: Can be flown indoors or outdoors. It is very light and easy to fly. It has a thirteen-minute flight time, has 720p HD transmission and 5MP photos.

Manufacturer's Description: It works great and is far superior to any other technology. The Tello is stable on uneven surfaces like stairs and different floors. The drone responds quickly to pilot inputs and makes precise, smooth movements in flight. When flying indoors, the Tello feels completely under the pilot's control.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#3

Type: *DJI Mavic Mini*

Quantity: 1

Cost: $450 per drone

Lifespan: 5 year manufacturer warranty

Capabilities: The Mavic Mini is an interior drone used to clear the interior portions of residences, office buildings, or warehouses. The interior drones allow for officers to get an idea of what a room or building looks like prior to entering.

Manufacturer's Description: Weighing just 249 g, DJI Mavic Mini is smaller and lighter than all of its predecessors, giving the pilot the ultimate flexibility to capture unique moments. Unlike other DJI drones that feature quick-release propellers, Mavic Mini propellers are screwed on, which helps to preserve the weight of the drone. A 3-axis stabilized gimbal is located at the front of the drone,

which is protected by a camera guard. And a microSD card slot is located on the back, providing a convenient location to change storage quickly.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#4

Type: *DJI Matrice 210 V2 Combo (SP) Drone System with DJI Enterprise Shield Basic SN# 17TDG180020031*

Quantity: 1

Cost: $30,125.64

Lifespan: 5 year manufacturer warranty

Capabilities: The Matrice 210/300 drones are used for exterior overwatch missions. Both of these drones are large and have similar features that police helicopters have ranging from FLIR to zoom and wide-angle cameras to a very bright spotlight to illuminate a search area.

Manufacturer's Description: The ultimate platform for aerial productivity combines a rugged design and simple configurability to work as a solution for a variety of industrial applications. Improvements to the M200 Series V2 enhance intelligent control systems, flight performance, and add flight safety and data security features

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#5

Type: *DJI Mavic Air*

Quantity: 1

Cost: $500 per drone

Lifespan: 5 year manufacturer warranty

Capabilities: The Mavic Air is an interior drone used to clear the interior portions of residences, office buildings, or warehouses. The interior drone allows officers to get an idea of what a room or building looks like prior to entering.

Manufacturer's Description: Mavic Air takes camera and flight performance to the next level with 48MP photos, 4K/60fps video, up to 34 minutes of flight time, and more.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to

increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#6

Type: *DJI Matrice RTK 300 Commercial Drone System*

Quantity: 1

Cost: $30,603.08

Lifespan: 5 year manufacturer warranty

Capabilities: The DJI Matrice RTK can support first responders in any hazardous incident which would benefit from an aerial perspective. These uses could include search and rescue, barricaded suspects or high-risk tactical operations, disaster response, and video and photographic documentation of a crime scene.

Manufacturer's Description: The Matrice 300 RTK is DJI's latest commercial drone platform that takes inspiration from modern aviation systems. Offering up to 55 minutes of flight time, advanced AI capabilities, 6 directional sensing and positioning and more, the M300 RTK sets a whole new standard by combining intelligence with high-performance and unrivaled reliability.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#7

Type: *DJI Mavic 2 Zoom Enterprise Universal Edition with Enterprise Shield Support Program*

Quantity: 1

Cost: $3,245.58

Lifespan: 5 year manufacturer warranty

Capabilities: The Mavic Zoom is used for exterior missions including overwatch on smaller scale containments. The Mavic Zoom offers a 12X zoom lens to get visual of the target from farther away.

Manufacturer's Description: Capture accurate details in any mission with the Mavic 2 Enterprise Advanced – a highly versatile yet compact tool that packs a whole lot of performance upgrades. With high-resolution thermal and visual cameras, the M2EA supports up to 32× digital zoom and is capable of centimeter-level positioning accuracy with the RTK module.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS#8

Type: *DJI Mavic 2 Dual Enterprise*

Quantity: 1

Cost: $4,181.81

Lifespan: 5 year manufacturer warranty

Capabilities: The Mavic Dual is used for exterior missions including overwatch on smaller scale containments. The Mavic Dual offers a 12X zoom lens to get visual of the target from farther away. The Mavic Dual offers a FLIR lens to sense heat sources during night hours.

Manufacturer's Description: Capture accurate details in any mission with the Mavic 2 Enterprise Advanced – a highly versatile yet compact tool that packs a whole lot of performance upgrades. With high-resolution thermal and visual cameras, the M2EA supports up to 32× digital zoom and is capable of centimeter-level positioning accuracy with the RTK module.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

UAS #9

Type: *Brinc Lemur S*

Quantity: 1

Cost: $22,110.22

Lifespan: 5 year manufacturer warranty

Capabilities: The Lemur S is an interior drone used to clear the interior portions of residences, office buildings, or warehouses. The interior drone allows officers to get an idea of what a room or building looks like prior to entering. Two way communication drone, allowing officers to communicate with any subject located. It will also has a Glass breaker feature that lets the drone break and fly through glass (ie car windows, glass doors). There is a thirty one minute flight time.

Manufacturer's Description:
Repeater that doubles the drones range. Pushes open doors.IR flying capabilities that does not use GPS. This allows us to fly in total darkness. Two-way communication capabilities with a powerful speaker to assist with a barricaded suspect in a CNT situation. 31 minute flight time Turtle mode that makes it virtually crash proof and can self-correct and re-fly without the pilot physically needing to touch the drone or flip it right side up. LIDAR based pilot assistance (uses lasers not GPS to fly which avoids the constant connection issues traditional GPS drones encounter.10-hours perch time that allows the pilot to land the drone and record video and audio and speak with a subject on a single charge. Glass breaker feature that lets the drone break and fly through glass (ie car windows, glass doors). Spot light, dropper accessory, landing strip that lets the drone take off from the front of a vehicle/bearcat without the pilot stepping out in harms way. Can withstand drops of up to 40'.The drone also has a carry feature that allows it to deliver anything from a bottle of water to a flash bang.

Purpose: A law enforcement specific application involving aerial drones are used for open terrain or large field searches as a force-multiplier to assist in high-risk apprehensions of armed or violent suspects. Aerial drones can be used as an interior search tool to locate suspects barricaded inside a residence or commercial structure.

Authorized Uses: Unmanned vehicles have numerous applications. Aerial drones are used instead of personnel or a police helicopter in high-risk environments to increase safety for law enforcement. Drone pilots also respond to mutual aid requests from outside agencies to assist with locating outstanding suspects.

Fiscal Impact: Battery Replacement (depending on frequency of use and charging)

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 433-Unmanned Aircraft Systems Program.

Training: All Drone pilots must pass the UAV FAA Remote Pilot test. Additionally, all drone pilots attend a monthly drone training. The Drone Team and the SWAT Team train together a couple of times a year, to become familiar with each other's tactics.

Unmanned, Remotely Piloted Powered Ground Vehicle:

Type: *Avatar III Robot*

Quantity: 1

Cost: $22,246.90

Capabilities: Robots can support first responders in any hazardous incident which would benefit from a remotely powered robot entering an area to provide details of the environment. These uses could include search and rescue, barricaded suspects or high-risk tactical operations, disaster response, and communication with suspects and victims.

Life Span: N/A

Manufactures Description: The AVATAR® III is a rugged, easy-to-use tactical robot that enhances the capabilities of law enforcement and first-responders by allowing them to safely and quickly inspect dangerous situations. The AVATAR III is completely customizable with plug-n-play payload bays, allowing users to build the robot to fit their needs.

Purpose: To be used to remotely gain visual/audio data, deliver CNT phone, open doors, disrupt packages, and clear buildings.

Authorized Uses: Only SWAT team members shall be permitted to operate the robots on an incident with the approval of the SWAT Commander or Incident Commander.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 300-Use of Force.

Training: Only SWAT Officers that have completed a SWAT basic academy are authorized to utilize the Avatar III Robot. SWAT Officers will conduct continued training with the use of the robot during supplemental SWAT courses and trainings.

Flashbangs:

Type: *Low Roll II Distraction Device by Defense Technology*

Quantity: 25

Cost: $50 each

Lifespan: 5 years from date of manufacture

Capabilities: Diversionary Devices are capable of releasing large amounts of stored energy in the form of heat, light, pressure, and noise. They are intended to temporarily distract, confuse, and disorient subjects. They can also be used as "attention-getting" devices.

Manufacturer's Description: The 11-Gram Low Roll II® Non-Reloadable Distraction Device, High Humidity utilizes an M201A1 type fuse with Hex design steel body. This compact version of the 8933 Low Roll Distraction Device body is the newest version of the first reusable non-bursting canisters that limits movement and rolling once deployed.

Purpose: The flashbangs are used as a distraction device and to provide an added degree of officer safety by disorienting subjects.

Authorized uses: Diversionary Devices are to be used exclusively by the SWAT Unit. Diversionary Devices can be used in high-risk tactical operations as an attention getting device. They can also be used during high-risk warrants, hostage rescue incidents, and some mobile field force incidents.

Fiscal Impact: None

Legal and Procedural Rules: Authorized use must comply with state and federal laws and Lexipol Policy 300-Use of Force.

Training: SWAT Officers must successfully complete an 80 hour SWAT Academy and are subject to ongoing extensive classroom and practical application training in the use of the Diversionary Devices. Additionally, SWAT Officers regularly train on safe device deployment in a variety of operational settings.

STATE OF CALIFORNIA
LEGISLATIVE COUNSEL BUREAU
AUTHENTICATED
ELECTRONIC LEGAL MATERIAL

Assembly Bill No. 481

CHAPTER 406

An act to add Chapter 12.8 (commencing with Section 7070) to Division 7 of Title 1 of the Government Code, relating to military equipment.

[Approved by Governor September 30, 2021. Filed with Secretary of State September 30, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 481, Chiu. Law enforcement and state agencies: military equipment: funding, acquisition, and use.

Existing law designates the Department of General Services as the agency for the State of California responsible for distribution of federal surplus personal property, excepting food commodities, and requires the department to, among other things, do all things necessary to the execution of its powers and duties as the state agency for the distribution of federal personal surplus property, excepting food commodities, in accordance with specified federal law. Existing law, the Federal Surplus Property Acquisition Law of 1945, authorizes a local agency, as defined, to acquire surplus federal property without regard to any law which requires posting of notices or advertising for bids, inviting or receiving bids, or delivery of purchases before payment, or which prevents the local agency from bidding on federal surplus property. Existing federal law authorizes the Department of Defense to transfer surplus personal property, including arms and ammunition, to federal or state agencies for use in law enforcement activities, subject to specified conditions, at no cost to the acquiring agency.

This bill would require a law enforcement agency, defined to include specified entities, to obtain approval of the applicable governing body, by adoption of a military equipment use policy, as specified, by ordinance at a regular meeting held pursuant to specified open meeting laws, prior to taking certain actions relating to the funding, acquisition, or use of military equipment, as defined. The bill would also require similar approval for the continued use of military equipment acquired prior to January 1, 2022. The bill would allow the governing body to approve the funding, acquisition, or use of military equipment within its jurisdiction only if it determines that the military equipment meets specified standards. The bill would require the governing body to annually review the ordinance and to either disapprove a renewal of the authorization for a type, as defined, of military equipment or amend the military equipment use policy if it determines, based on an annual military equipment report prepared by the law enforcement agency, as provided, that the military equipment does not comply with the above-described standards for approval. The bill would specify these provisions do not preclude a county or local municipality from implementing

additional requirements and standards related to the purchase, use, and reporting of military equipment by local law enforcement agencies.

This bill would also require a state agency, as defined, to create a military equipment use policy before engaging in certain activities, publish the policy on the agency's internet website, and provide a copy of the policy to the Governor or the Governor's designee, as specified. The bill would also require a state agency that seeks to continue use of military equipment acquired prior to January 1, 2022, to create a military equipment use policy.

This bill would also include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

By adding to the duties of local officials with respect to the funding, acquisition, and use of military equipment, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The acquisition of military equipment and its deployment in our communities adversely impacts the public's safety and welfare, including increased risk of civilian deaths, significant risks to civil rights, civil liberties, and physical and psychological well-being, and incurment of significant financial costs. Military equipment is more frequently deployed in low-income Black and Brown communities, meaning the risks and impacts of police militarization are experienced most acutely in marginalized communities.

(b) The public has a right to know about any funding, acquisition, or use of military equipment by state or local government officials, as well as a right to participate in any government agency's decision to fund, acquire, or use such equipment.

(c) Decisions regarding whether and how military equipment is funded, acquired, or used should give strong consideration to the public's welfare, safety, civil rights, and civil liberties, and should be based on meaningful public input.

(d) Legally enforceable safeguards, including transparency, oversight, and accountability measures, must be in place to protect the public's welfare, safety, civil rights, and civil liberties before military equipment is funded, acquired, or used.

(e) The lack of a public forum to discuss the acquisition of military equipment jeopardizes the relationship police have with the community, which can be undermined when law enforcement is seen as an occupying force rather than a public safety service.

SEC. 2. Chapter 12.8 (commencing with Section 7070) is added to Division 7 of Title 1 of the Government Code, to read:

Chapter 12.8. Funding, Acquisition, and Use of Military Equipment

7070. For purposes of this chapter, the following definitions shall apply:

(a) "Governing body" means the elected body that oversees a law enforcement agency or, if there is no elected body that directly oversees the law enforcement agency, the appointed body that oversees a law enforcement agency. In the case of a law enforcement agency of a county, including a sheriff's department or a district attorney's office, "governing body" means the board of supervisors of the county.

(b) "Law enforcement agency" means any of the following:

(1) A police department, including the police department of a transit agency, school district, or any campus of the University of California, the California State University, or California Community Colleges.

(2) A sheriff's department.

(3) A district attorney's office.

(4) A county probation department.

(c) "Military equipment" means the following:

(1) Unmanned, remotely piloted, powered aerial or ground vehicles.

(2) Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers. However, police versions of standard consumer vehicles are specifically excluded from this subdivision.

(3) High mobility multipurpose wheeled vehicles (HMMWV), commonly referred to as Humvees, two and one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached. However, unarmored all-terrain vehicles (ATVs) and motorized dirt bikes are specifically excluded from this subdivision.

(4) Tracked armored vehicles that provide ballistic protection to their occupants and utilize a tracked system instead of wheels for forward motion.

(5) Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.

(6) Weaponized aircraft, vessels, or vehicles of any kind.

(7) Battering rams, slugs, and breaching apparatuses that are explosive in nature. However, items designed to remove a lock, such as bolt cutters,

or a handheld ram designed to be operated by one person, are specifically excluded from this subdivision.

(8) Firearms of .50 caliber or greater. However, standard issue shotguns are specifically excluded from this subdivision.

(9) Ammunition of .50 caliber or greater. However, standard issue shotgun ammunition is specifically excluded from this subdivision.

(10) Specialized firearms and ammunition of less than .50 caliber, including assault weapons as defined in Sections 30510 and 30515 of the Penal Code, with the exception of standard issue service weapons and ammunition of less than .50 caliber that are issued to officers, agents, or employees of a law enforcement agency or a state agency.

(11) Any firearm or firearm accessory that is designed to launch explosive projectiles.

(12) "Flashbang" grenades and explosive breaching tools, "tear gas," and "pepper balls," excluding standard, service-issued handheld pepper spray.

(13) Taser Shockwave, microwave weapons, water cannons, and the Long Range Acoustic Device (LRAD).

(14) The following projectile launch platforms and their associated munitions: 40mm projectile launchers, "bean bag," rubber bullet, and specialty impact munition (SIM) weapons.

(15) Any other equipment as determined by a governing body or a state agency to require additional oversight.

(16) Notwithstanding paragraphs (1) through (15), "military equipment" does not include general equipment not designated as prohibited or controlled by the federal Defense Logistics Agency.

(d) "Military equipment use policy" means a publicly released, written document governing the use of military equipment by a law enforcement agency or a state agency that addresses, at a minimum, all of the following:

(1) A description of each type of military equipment, the quantity sought, its capabilities, expected lifespan, and product descriptions from the manufacturer of the military equipment.

(2) The purposes and authorized uses for which the law enforcement agency or the state agency proposes to use each type of military equipment.

(3) The fiscal impact of each type of military equipment, including the initial costs of obtaining the equipment and estimated annual costs of maintaining the equipment.

(4) The legal and procedural rules that govern each authorized use.

(5) The training, including any course required by the Commission on Peace Officer Standards and Training, that must be completed before any officer, agent, or employee of the law enforcement agency or the state agency is allowed to use each specific type of military equipment to ensure the full protection of the public's welfare, safety, civil rights, and civil liberties and full adherence to the military equipment use policy.

(6) The mechanisms to ensure compliance with the military equipment use policy, including which independent persons or entities have oversight

authority, and, if applicable, what legally enforceable sanctions are put in place for violations of the policy.

(7) For a law enforcement agency, the procedures by which members of the public may register complaints or concerns or submit questions about the use of each specific type of military equipment, and how the law enforcement agency will ensure that each complaint, concern, or question receives a response in a timely manner.

(e) "State agency" means the law enforcement division of every state office, officer, department, division, bureau, board, and commission or other state body or agency, except those agencies provided for in Article IV (except Section 20 thereof) or Article VI of the California Constitution.

(f) "Type" means each item that shares the same manufacturer model number.

7071. (a) (1) A law enforcement agency shall obtain approval of the governing body, by an ordinance adopting a military equipment use policy at a regular meeting of the governing body held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) or the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), as applicable, prior to engaging in any of the following:

(A) Requesting military equipment made available pursuant to Section 2576a of Title 10 of the United States Code.

(B) Seeking funds for military equipment, including, but not limited to, applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(C) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(D) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the territorial jurisdiction of the governing body.

(E) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body pursuant to this chapter.

(F) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of, military equipment.

(G) Acquiring military equipment through any means not provided by this paragraph.

(2) No later than May 1, 2022, a law enforcement agency seeking to continue the use of any military equipment that was acquired prior to January 1, 2022, shall commence a governing body approval process in accordance with this section. If the governing body does not approve the continuing use of military equipment, including by adoption pursuant to this subdivision of a military equipment use policy submitted pursuant to subdivision (b), within 180 days of submission of the proposed military equipment use policy to the governing body, the law enforcement agency shall cease its use of

the military equipment until it receives the approval of the governing body in accordance with this section.

(b) In seeking the approval of the governing body pursuant to subdivision (a), a law enforcement agency shall submit a proposed military equipment use policy to the governing body and make those documents available on the law enforcement agency's internet website at least 30 days prior to any public hearing concerning the military equipment at issue.

(c) The governing body shall consider a proposed military equipment use policy as an agenda item for an open session of a regular meeting and provide for public comment in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) or the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), as applicable.

(d) (1) The governing body shall only approve a military equipment use policy pursuant to this chapter if it determines all of the following:

(A) The military equipment is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety.

(B) The proposed military equipment use policy will safeguard the public's welfare, safety, civil rights, and civil liberties.

(C) If purchasing the equipment, the equipment is reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety.

(D) Prior military equipment use complied with the military equipment use policy that was in effect at the time, or if prior uses did not comply with the accompanying military equipment use policy, corrective action has been taken to remedy nonconforming uses and ensure future compliance.

(2) In order to facilitate public participation, any proposed or final military equipment use policy shall be made publicly available on the internet website of the relevant law enforcement agency for as long as the military equipment is available for use.

(e) (1) The governing body shall review any ordinance that it has adopted pursuant to this section approving the funding, acquisition, or use of military equipment at least annually and, subject to paragraph (2), vote on whether to renew the ordinance at a regular meeting held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) or the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), as applicable.

(2) The governing body shall determine, based on the annual military equipment report submitted pursuant to Section 7072, whether each type of military equipment identified in that report has complied with the standards for approval set forth in subdivision (d). If the governing body determines that a type of military equipment identified in that annual military equipment report has not complied with the standards for approval set forth in subdivision (d), the governing body shall either disapprove a renewal of the authorization for that type of military equipment or require modifications

to the military equipment use policy in a manner that will resolve the lack of compliance.

(f) Notwithstanding subdivisions (a) to (e), inclusive, if a city contracts with another entity for law enforcement services, the city shall have the authority to adopt a military equipment use policy based on local community needs.

7072. (a) A law enforcement agency that receives approval for a military equipment use policy pursuant to Section 7071 shall submit to the governing body an annual military equipment report for each type of military equipment approved by the governing body within one year of approval, and annually thereafter for as long as the military equipment is available for use. The law enforcement agency shall also make each annual military equipment report required by this section publicly available on its internet website for as long as the military equipment is available for use. The annual military equipment report shall, at a minimum, include the following information for the immediately preceding calendar year for each type of military equipment:

(1) A summary of how the military equipment was used and the purpose of its use.

(2) A summary of any complaints or concerns received concerning the military equipment.

(3) The results of any internal audits, any information about violations of the military equipment use policy, and any actions taken in response.

(4) The total annual cost for each type of military equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing costs, and from what source funds will be provided for the military equipment in the calendar year following submission of the annual military equipment report.

(5) The quantity possessed for each type of military equipment.

(6) If the law enforcement agency intends to acquire additional military equipment in the next year, the quantity sought for each type of military equipment.

(b) Within 30 days of submitting and publicly releasing an annual military equipment report pursuant to this section, the law enforcement agency shall hold at least one well-publicized and conveniently located community engagement meeting, at which the general public may discuss and ask questions regarding the annual military equipment report and the law enforcement agency's funding, acquisition, or use of military equipment.

7073. (a) A state agency shall create a military equipment use policy prior to engaging in any of the following:

(1) Requesting military equipment made available pursuant to Section 2576a of Title 10 of the United States Code.

(2) Seeking funds for military equipment, including, but not limited to, applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.

(3) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.

(4) Collaborating with a law enforcement agency or another state agency in the deployment or other use of military equipment within the territorial jurisdiction of the governing body.

(5) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body pursuant to this chapter.

(6) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, or to apply to receive, acquire, use, or collaborate in the use of, military equipment.

(7) Acquiring military equipment through any means not provided by this subdivision.

(b) No later than May 1, 2022, a state agency seeking to continue the use of any military equipment that was acquired prior to January 1, 2022, shall create a military equipment use policy.

(c) A state agency that is required to create a military equipment use policy pursuant to this section shall do both of the following within 180 days of completing the policy:

(1) Publish the military equipment use policy on the agency's internet website.

(2) Provide a copy of the military equipment use policy to the Governor or the Governor's designee.

7074. The Legislature finds and declares that ensuring adequate oversight of the acquisition and use of military equipment is a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities and shall supersede any inconsistent provisions in the charter of any city, county, or city and county.

7075. Nothing in this chapter shall preclude a county or local municipality from implementing additional requirements and standards related to the purchase, use, and reporting of military equipment by local law enforcement agencies.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which adds Chapter 12.8 (commencing with Section 7070) to Division 7 of Title 1 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Requiring local agencies to hold public meetings prior to the acquisition of military equipment further exposes that activity to public scrutiny and enhances public access to information concerning the conduct of the people's business.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would

result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

O

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.13

TITLE:

Notice of Completion for the City Hall Windows Replacement Project

RECOMMENDATION:

1. Accept the City Hall Window Replacement Project by A.J. Fistes Corporation as complete.

2. Authorize the City Clerk to file a Notice of Completion in the County Recorder's office.

FISCAL IMPACT:

Amount Budgeted: $594,662.31
Additional Appropriation: N/A
Account Numbers: $581,620 from Account 301-400-8201-8232 (City Hall Windows Replacement)
$13,042.31 from Account 301-400-8201-8209 (Facilities Repair)

There is sufficient funding in the General Fund's adopted Capital Improvement Program (CIP) Budget for City Hall Windows Replacement and Facilities Repair (Expenditure Accounts 301-400-8201-8232 and 301-400-8201-8209). No additional budget appropriation is needed to finalize this project.

BACKGROUND:

On March 16, 2021, City Council awarded a Public Works Contract to A.J. Fistes for the City Hall Window Replacement Project in the amount of $581,620, with no construction related contingencies included. The project was to replace the existing single pane exterior windows with code-compliant double pane windows.

DISCUSSION:

Immediately following the contract award, staff worked diligently to approve contractor submittals and order materials as there were known supply chain delays in the industry. Construction began on August 16, 2021 and the project was substantially completed on February 25, 2022.

During construction, change orders in the amount of $13,042.31 were issued to address the necessary adjustments to the windows and have some exterior areas painted. There is sufficient funding in the adopted Capital Improvement Program Budget to cover this change orders amount.

Staff respectfully request that City Council to approve the recommended actions as noted.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

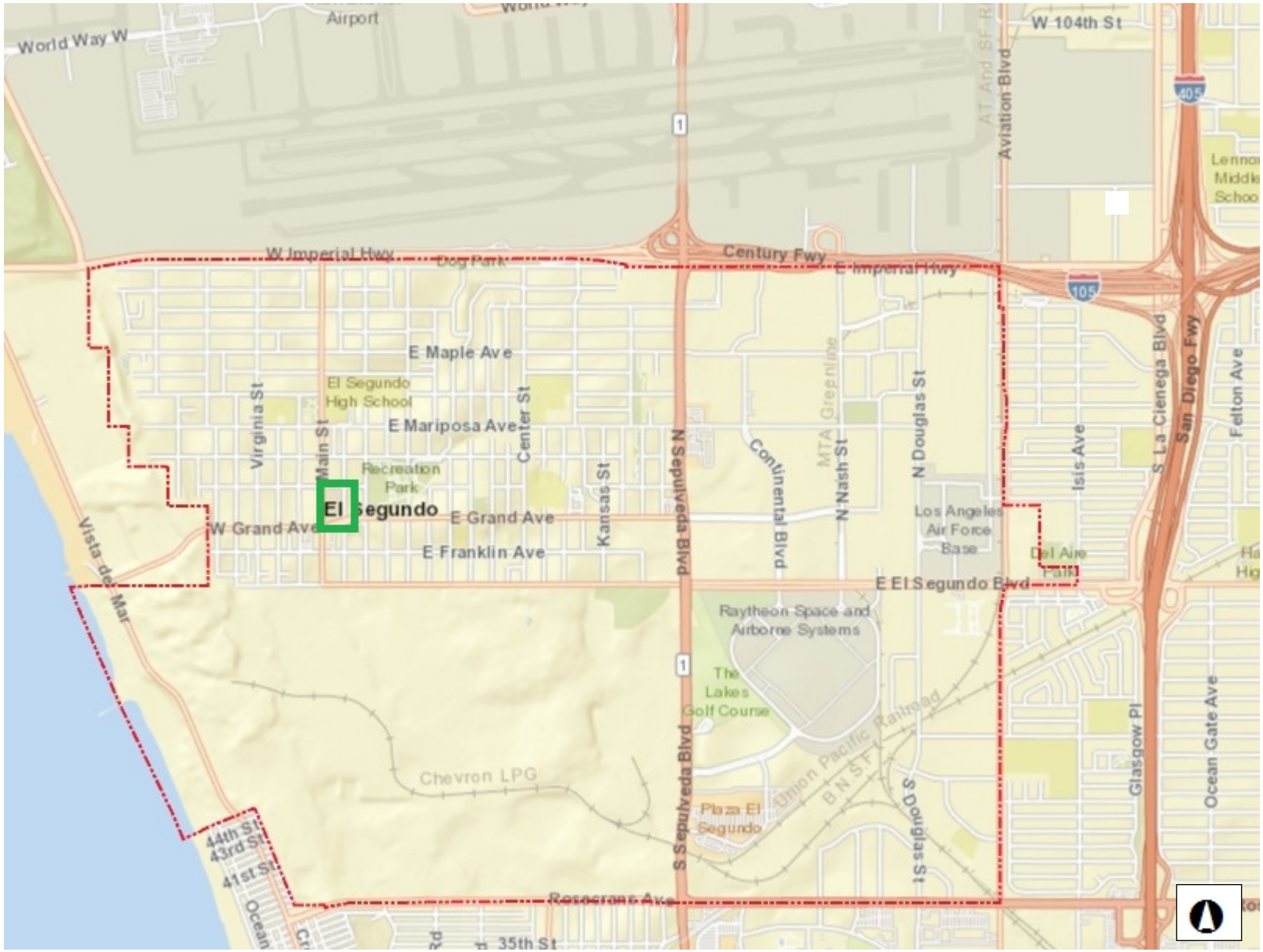
Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.
Objective 4B: El Segundo's technology supports effective, efficient, and proactive operations.

PREPARED BY:
Cheryl Ebert, Senior Civil Engineer
REVIEWED BY:
Elias Sassoon, Public Works Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. PW 21-04 Vicinity Map
2. PW 21-04 Location Map
3. PW 21-04 City Hall Window Pictures
4. PW 21-04 Notice of Completion

PW 21-04, City Hall Window Replacement Vicinity Map

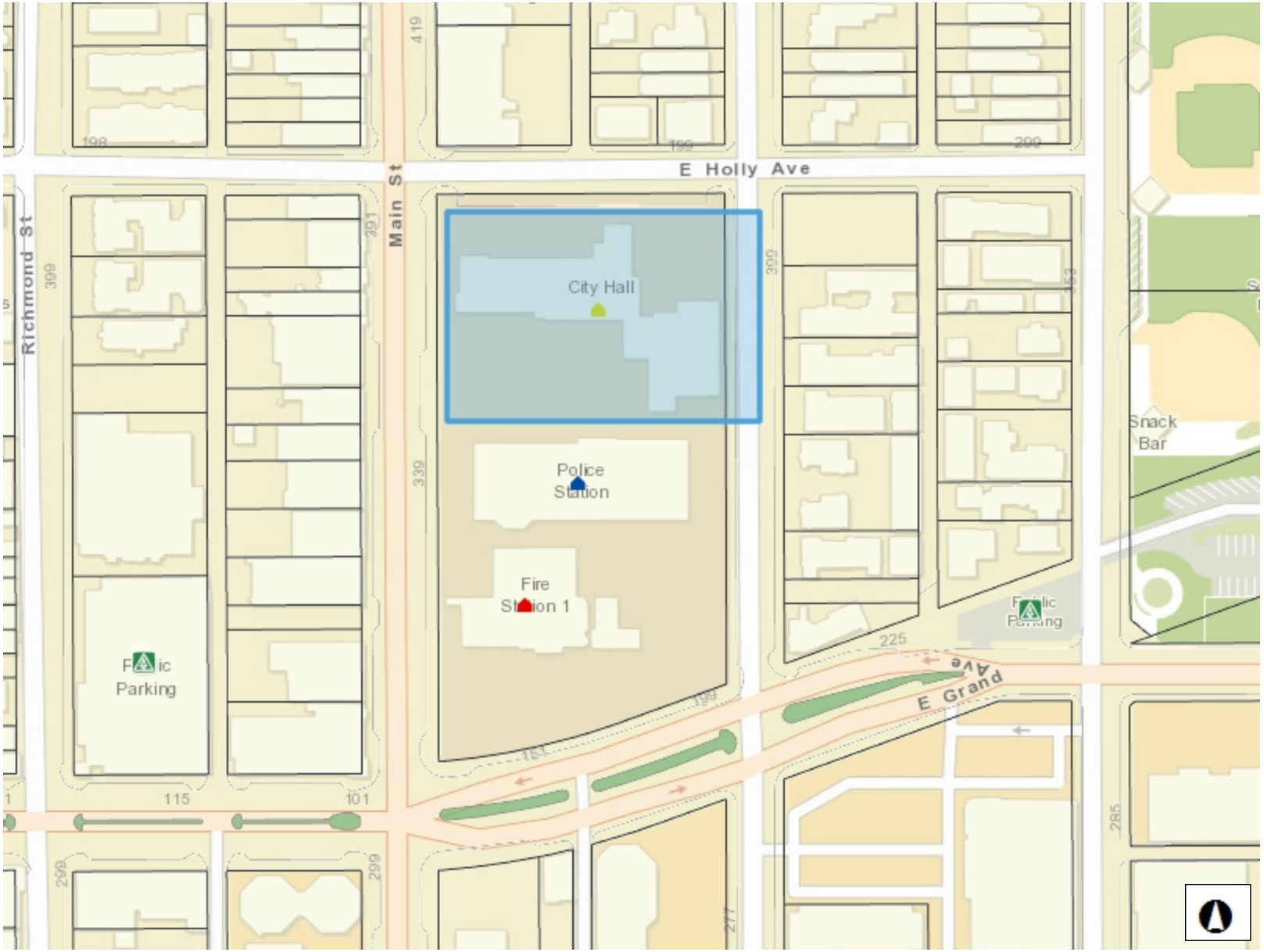


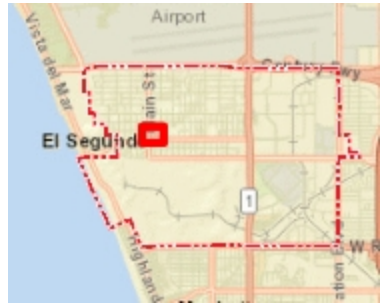
6,018.7 0 3,009.33 6,018.7 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo will not be held responsible for any claims, losses or damages resulting from the use of this map.

PW 21-04 City Hall Window Replacement Location Map





Legend

Points of Interest
- Other Facilities
- Facility, City Hall
- Facility, Fire Station 1; Facility, Fire
- Facility, Police Station
- Hotels
- Parks
- Schools

Parcels
Medians
Curbs
City Boundary
World Street Map

Notes

376.2 0 188.08 376.2 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

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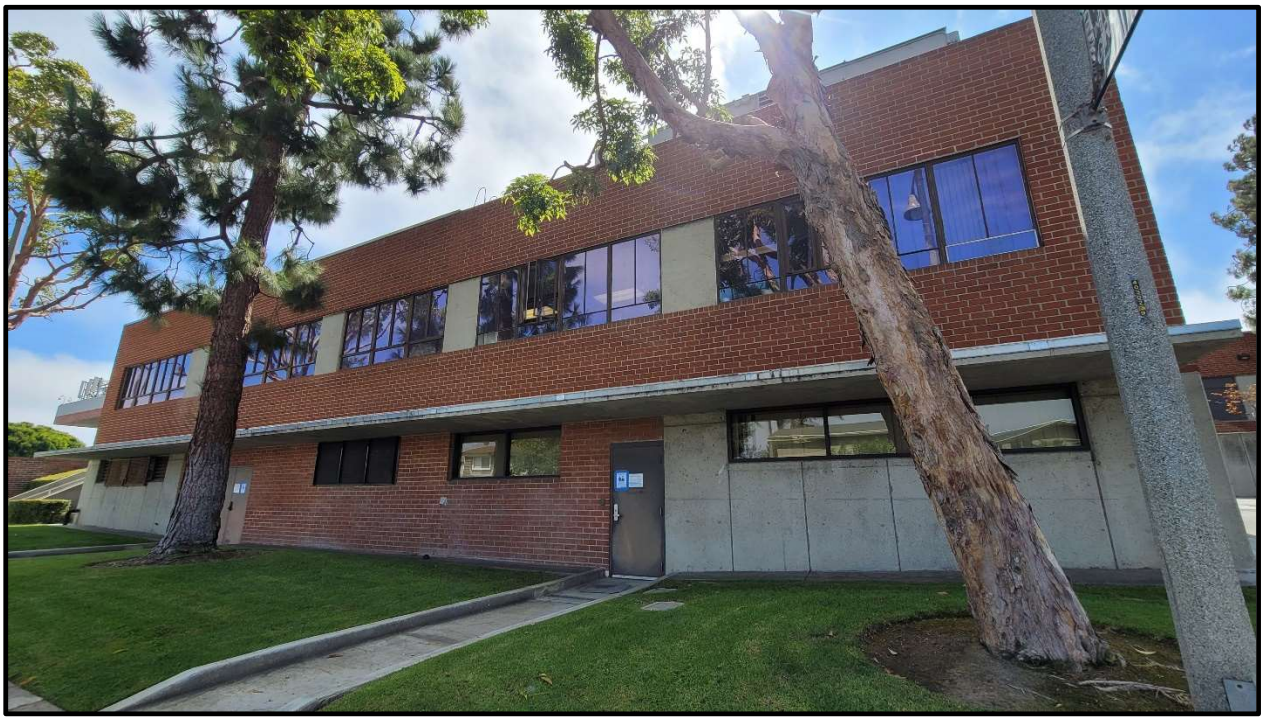
Before:



After:

Before:

After:

Before:

After:

Before:

After:

Recording Requested by
and When Recorded Mail To:

City Clerk, City Hall
350 Main Street
El Segundo, CA 90245

NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name: City Hall Window Replacement Project

Project No. : PW 21-04 Contract No. 6038

Notice is hereby given pursuant to State of California Civil Code Section 3093 et seq that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of El Segundo

3. The full address of the owner is: City Hall, 350 Main Street, El Segundo, CA, 90245

4. The nature of the interest of the owner is: Public Facilities

5. A work of improvement on the property hereinafter described was field reviewed by the City Engineer on February 25, 2022. The work done was: removal and replacement of windows at the City Hall facility.

6. On April 19, 2022, City Council of the City of El Segundo accepted the work of this contract as being complete and directed the recording of this Notice of Completion in the Office of the County Recorder.

7. The name of the Contractor for such work of improvement was: A.J. Fistes Corporation

8. The property on which said work of improvement was completed is in the City of El Segundo, County of Los Angeles, State of California, and is described as follows: City Hall in the City of El Segundo.

9. The street address of said property is: 350 Main Street, El Segundo, CA 90245

Dated: _____

_____
Elias Sassoon
Public Works Director

VERIFICATION

I, the undersigned, say: I am the Director of Public Works of the City El Segundo, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on _____, 2022 at El Segundo, California.

_____
Elias Sassoon
Public Works Director

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.14

TITLE:

Amendment to Agreement with California Consulting, Inc. for Grant Writing Services

RECOMMENDATION:

1. Authorize City Manager to execute an amendment to agreement #6129 with California Consulting, Inc., in the amount of $30,000 for professional grant writing consulting services for the City of El Segundo.

FISCAL IMPACT:

Included in Adopted FY 2021/22 Budget
Additional Appropriation: None

BACKGROUND:

In August 2021, the City Manager approved a professional services agreement for $50,000 with California Consulting, Inc to provide professional grant writing services related to Citywide grant opportunities. It is anticipated an additional amount of $30,000 will be necessary to meet the needs of the City through June 30, 2022, bringing the contract total to an amount not to exceed $80,000.

DISCUSSION:

During the current fiscal year, California Consulting, Inc. has written four grants for the City totalling approximately $1,000,000: electric vehicles, park improvement, and two grants for the Library. There are several upcoming grants for Safe Routes to School and street and sidewalk improvements that City staff would like to apply for utilizing California Consulting, Inc.

At this time, staff is requesting City Council approve a first amendment to the agreement for an additional amount of $30,000, in a form approved by the City Attorney, for California Consulting, Inc. to provide professional consulting services to the City.

California Consulting Inc. has provided customer service consistent with their agreement terms and conditions.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability
Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:
Joseph Lillio, Chief Financial Officer
REVIEWED BY:
Joseph Lillio, Chief Financial Officer
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. California Consulting Inc_1st Amendment_to contract No. 6129

**FIRST AMENDMENT TO
AGREEMENT NO. 6129 BETWEEN
THE CITY OF EL SEGUNDO AND
CALIFORNIA CONSULTING, INC.**

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 19th day of April 2022, by and between the CITY OF EL SEGUNDO, a general law city and municipal corporation existing under the laws of California ("CITY"), and California Consulting, Inc. a California Corporation ("CONSULTANT").

The parties agree as follows:

1. The parties desire to amend the Agreement by increasing the total amount of the Agreement by $30,000 (thirty thousand), so that the total, not-to-exceed amount of the Agreement is $80,000 (eighty thousand).
2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.
3. Except as modified by this Amendment, all other terms and conditions of Agreement No. 6129 remain the same.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Amendment the day and year first hereinabove written.

CITY OF EL SEGUNDO

_____
Darrell George,
Interim City Manager

CALIFORNIA CONSULTING, INC.

_____
Steven N. Samuelian
CEO

ATTEST:

_____
Tracy Weaver,
City Clerk

Taxpayer ID No. _____

APPROVED AS TO FORM:

_____
Mark D. Hensley,
City Attorney

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.15

TITLE:

Construction Contract with Gentry General Engineering, Inc. for $200,010.61 for Construction of New Sidewalks

RECOMMENDATION:

1. Reject LA Design Group's bid as nonresponsive.

2. Authorize the City Manager to execute a standard Public Works Construction Contract with Gentry General Engineering, Inc. for $200,010.61 for the construction of new sidewalks along the south sides of 400 block of West Mariposa Avenue and 300 block of West Pine Avenue, Project No. PW 21-07, and authorize an additional $20,000 as contingency funds for potential unforeseen conditions.

FISCAL IMPACT:

Included in the Adopted FY 2021/22 Budget. The fiscal impact will be $254,620.61 in the Measure M fund.

Amount Budgeted: $260,000
Additional Appropriation: None
Account Number(s): 127-400-0000-8382 (Measure M Expenditures)

BACKGROUND:

On April 20, 2021, the City Council adopted the engineering plans and construction specifications for the construction of new sidewalks along the south side of 400 West Mariposa Avenue and 300 West Pine Avenue blocks. This Sidewalk Project will include all related work such as retaining walls, stairs, handrails and replacement of any tree which has to be removed.

DISCUSSION:

The engineering plans for this project were approved and adopted by the City Council on April 20, 2021. However, at the request of the adjacent property owner at 300 block of Pine Avenue, staff agreed to delay the construction of this project to June, 2022 to accommodate the property owner with the remodeling of his garage and any needed modifications to his driveway approach. Consequently, this project was recently advertised for construction. On February 1, 2022, the City Clerk received and opened three bids as follows:

1. LA Design Group - $196,165.00
2. Gentry General Engineering, Inc. - $200,010.61
3. FS Contractors, Inc. - $234,507.00

The bid the City received from the apparent lowest bidder, LA Design Group, is incomplete because the submitted bid at the time of bid-opening did not include the Addendum 1 acknowledgment. Consequently, LA Design Group's bid was found to be non-responsive and is disqualified per section 10.2 of the Bidding Instructions on page I-B-5 of the project specifications, which reads:

> Section 10.2: If the apparent lowest responsible Bidder fails to sign the Agreement and furnish all items required by the Bidding Documents within the time limits specified in these Instructions to Bidders, the City will disqualify such Bidder and select the next apparent lowest responsible Bidder until all bids have been exhausted or the City may reject all bids.

Gentry General Engineering, Inc. has been found to be the lowest responsive and responsible bidder. Their state license and DIR registration are in good standing, and they have satisfactorily completed sidewalk construction projects for the cities of Laguna Beach, Torrance, Rancho Cucamonga, Fullerton, and Thousand Oaks.

With regard to related Sidewalk Project construction inspection services, on February 7, 2022, Public Works staff received a proposal from KOA Corporation ("KOA") for part-time construction inspection services for this project. KOA has successfully provided construction inspection services for the City of El Segundo and other public agencies, including the cities of El Monte, San Fernando, and Inglewood. Staff intends to process a professional services agreement with KOA in the amount of $31,410 for construction inspection services for the Sidewalk Project, with a $3,200 contingency amount through the City Manager's purchasing and signature authority via El Segundo Municipal Code Chapters 1-7 and 1-7A.

Staff requests City Council to approve the recommended actions as noted. With the City Council's authorization, the anticipated schedule for this project is as follows:

April 2022: Contract Award
June 2022: Begin Construction
August 2022: Project Completion

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

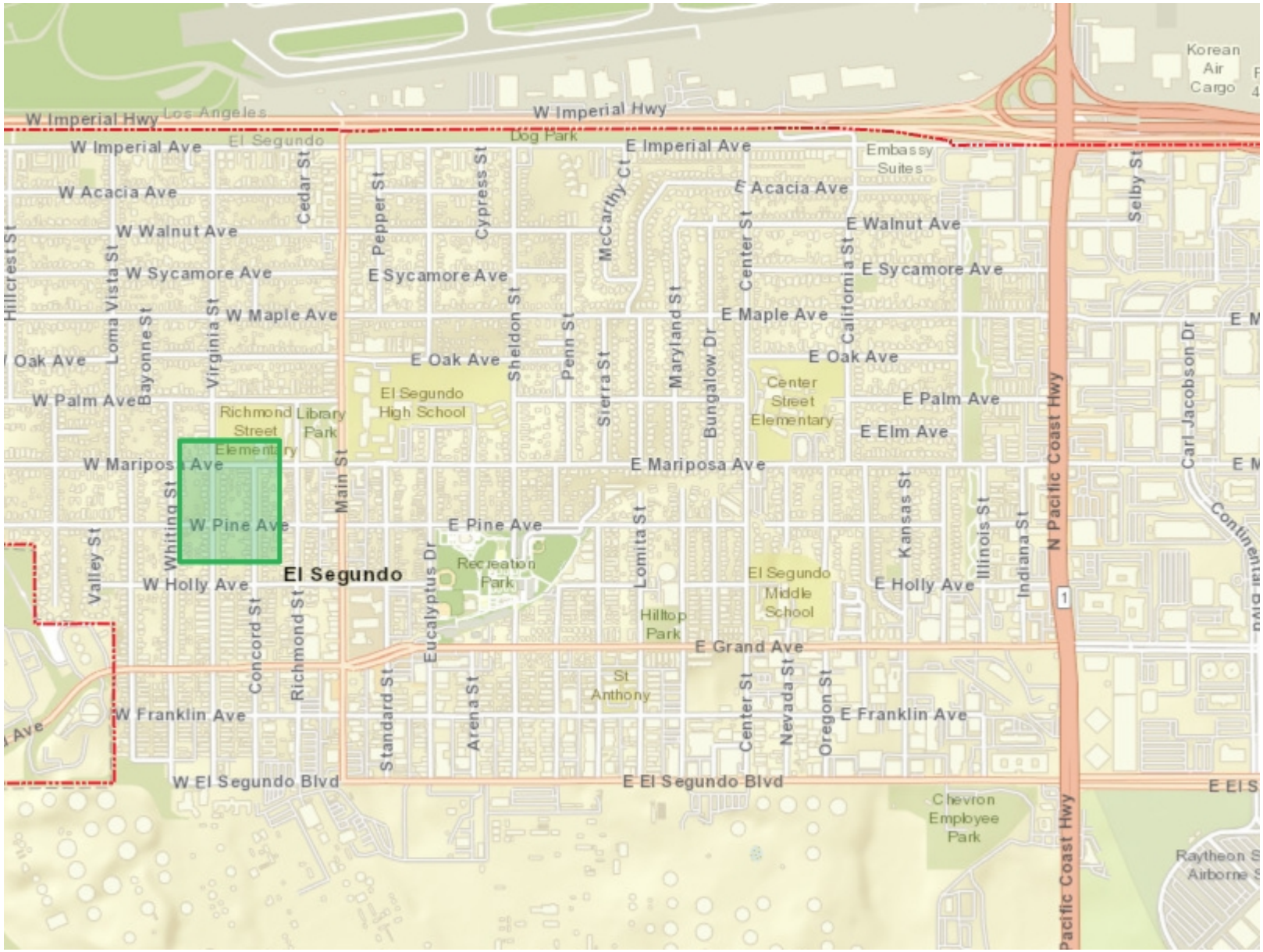
Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

PREPARED BY:
Floriza Rivera, Principal Civil Engineer
REVIEWED BY:
Elias Sassoon, Public Works Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Vicinity Map PW 21-07
2. Location Map PW 21-07

Vicinity Map
W. Mariposa and W. Pine Ave Sidewalk installation project



3,009.3 0 1,504.66 3,009.3 Feet

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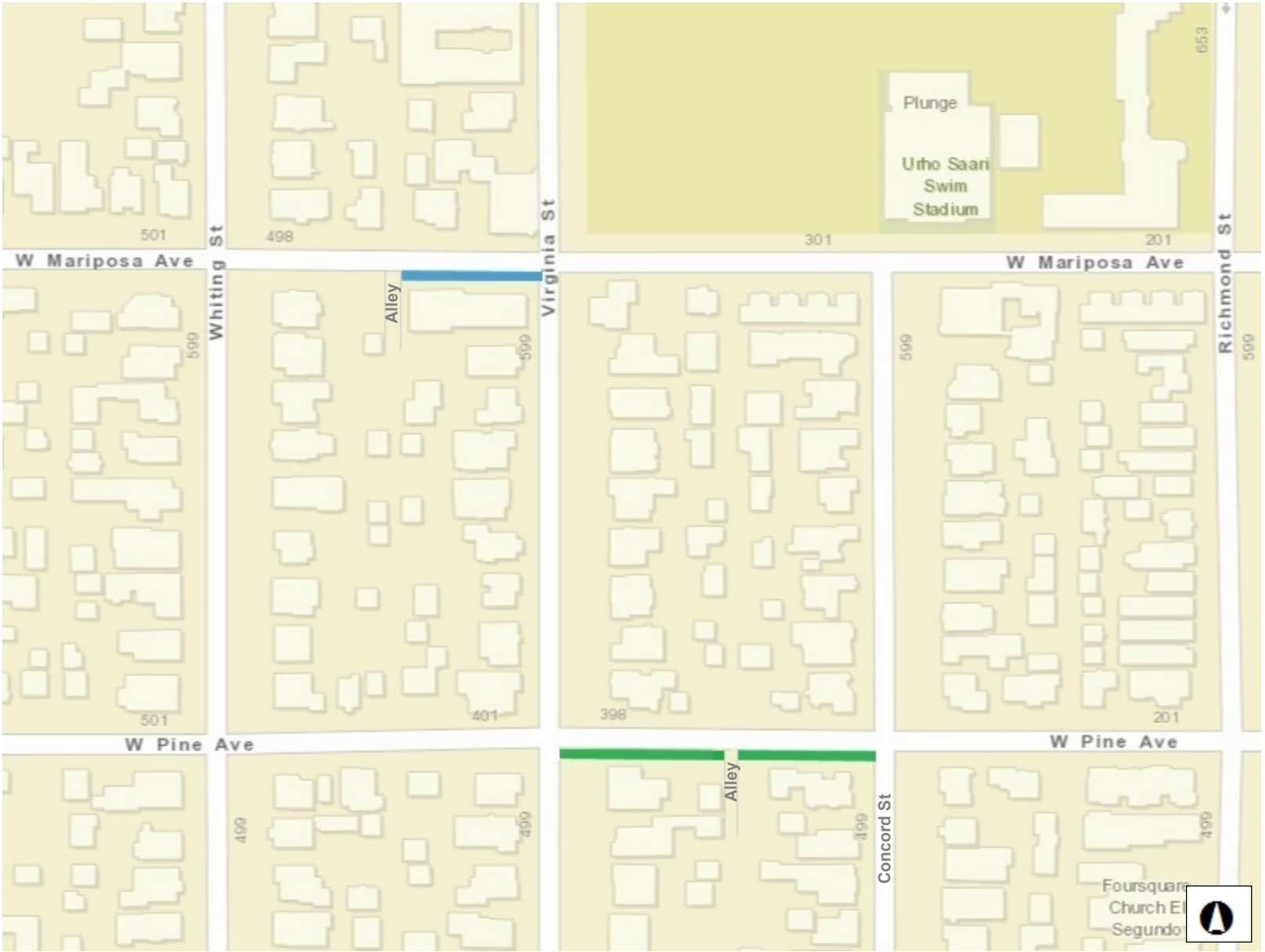
Location Map
W. Mariposa Ave. and W. Pine Ave. Sidewalk Installation Project



Legend

- City Boundary
- 400 Block W. Mariposa Ave.
  1. Tree removals
  2. New sidewalk and curb
  3. New retaining wall
  4. New stairs and handrails
- 300 Block W. Pine Ave.
  1. Tree removals
  2. New sidewalk and curb
  3. New parkway
  4. Replacement City trees

Notes

376.2 0 188.08 376.2 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

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City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.16

TITLE:

Automatic Fire Department Aid Agreement with the City of Los Angeles

RECOMMENDATION:

1. Approve and authorize mayor, city manager, and city attorney to sign the agreement.

FISCAL IMPACT:

None.

BACKGROUND:

The current automatic aid agreement with the City of Los Angeles City is due to expire June 30, 2022.

DISCUSSION:

The new agreement is updated to the current leadership of both cities. This is a reciprocal agreement to provide fire and emergency medical services in a timely manner. The agreement is the same as the previous agreement with the addition of Los Angeles Fire Department will now respond to the south up to the El Segundo border of Rosecrans Avenue. The former agreement had provided aid up to Mariposa Avenue.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 2: Support Community Safety and Preparedness

Objective: El Segundo is a safe and prepared city.

PREPARED BY:

Deena Lee, Fire Chief

REVIEWED BY:

Deena Lee, Fire Chief

APPROVED BY:

ATTACHED SUPPORTING DOCUMENTS:

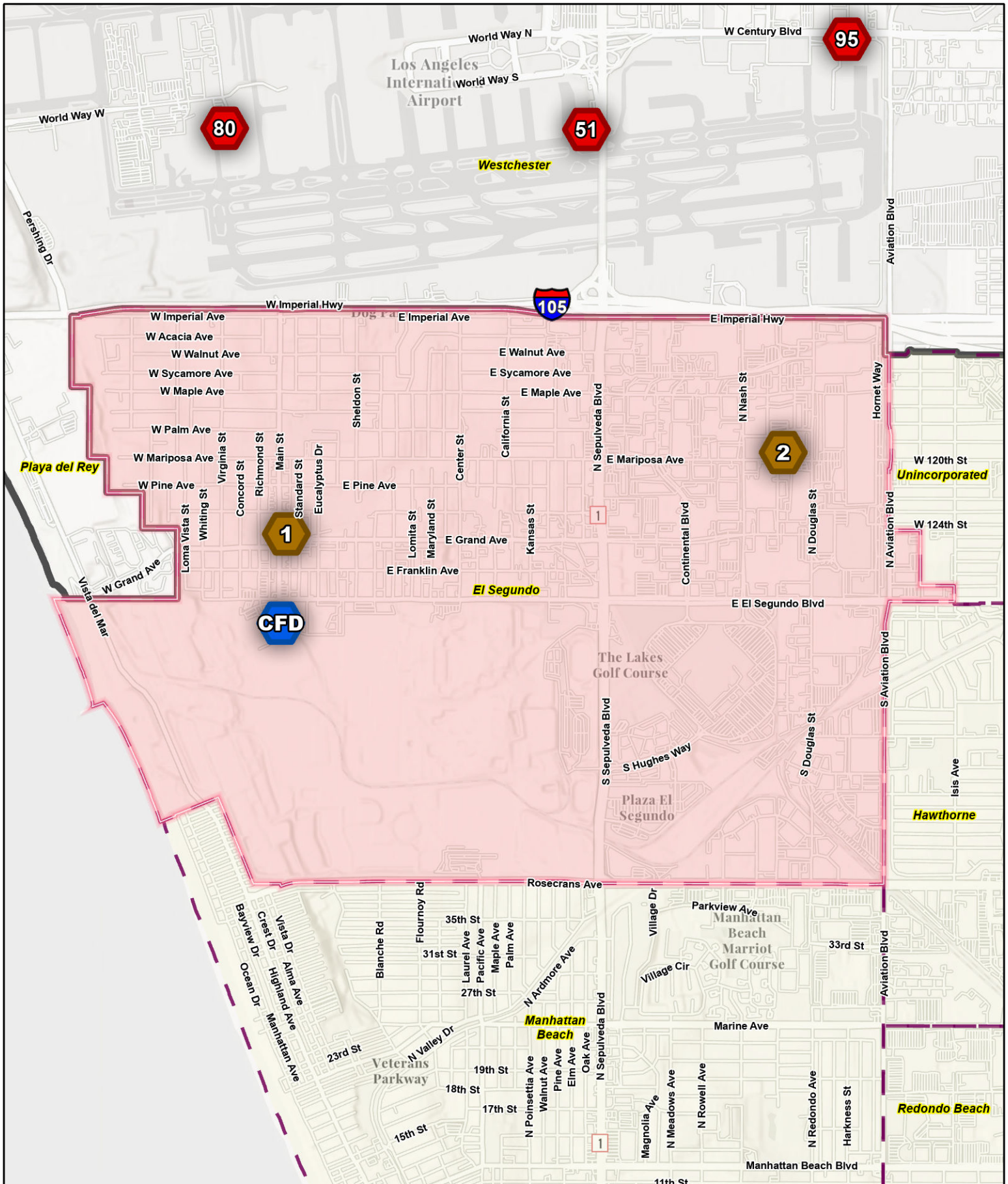
1. El Segundo Mutual/ Automatic Aid Agreement with Los Angeles Maps
2. El Segundo Mutual/ Automatic Aid Agreement with Los Angeles

Automatic Aid Boundary - Fire Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID: LFD to ELS FIRE RESPONSE

Resource(s):
Initial: Task Force
Additional: Up to B Assignment



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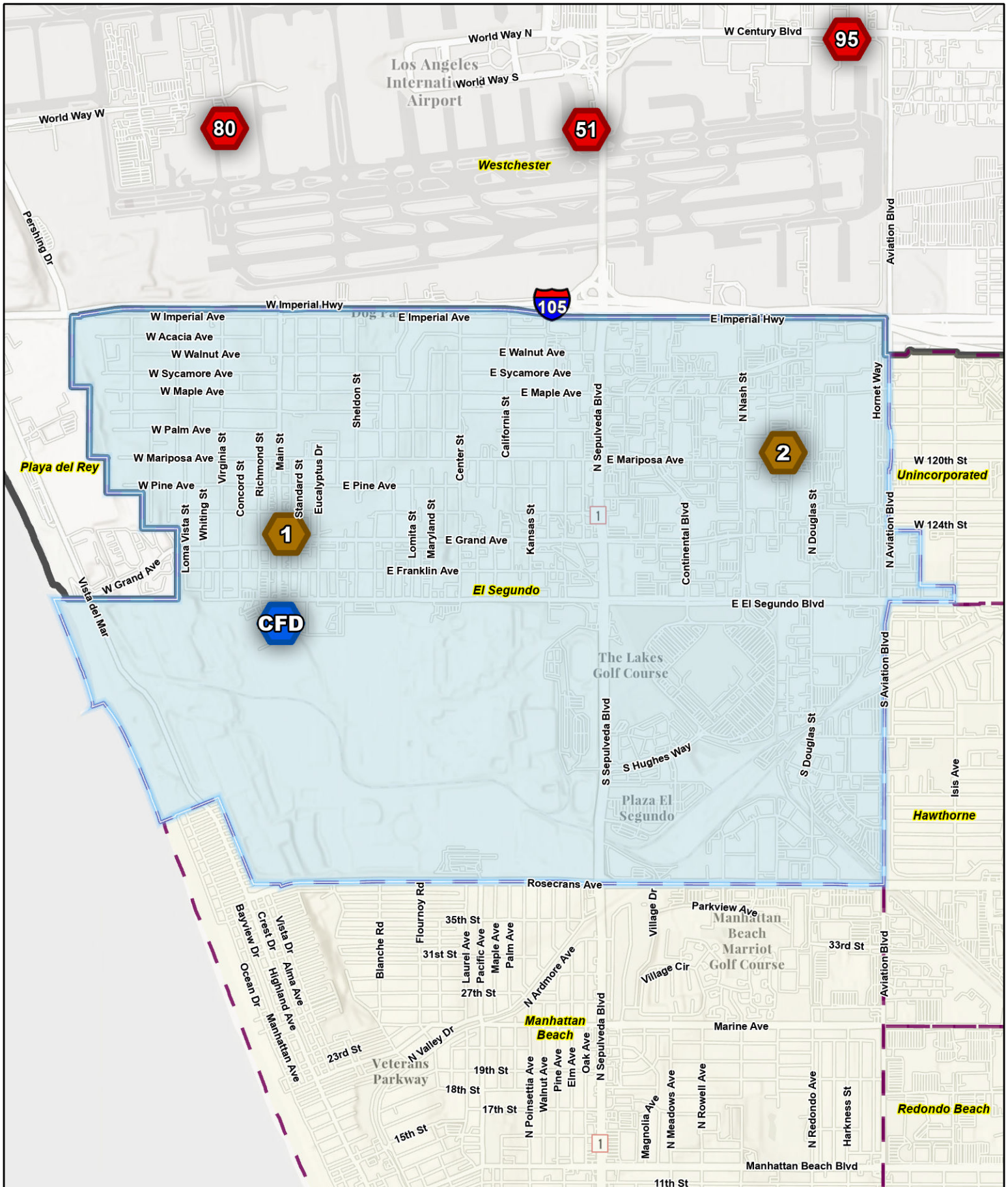
1

Automatic Aid Boundary - EMS Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID:
LFD to ELS
EMS RESPONSE

Resource(s):
1. ALS

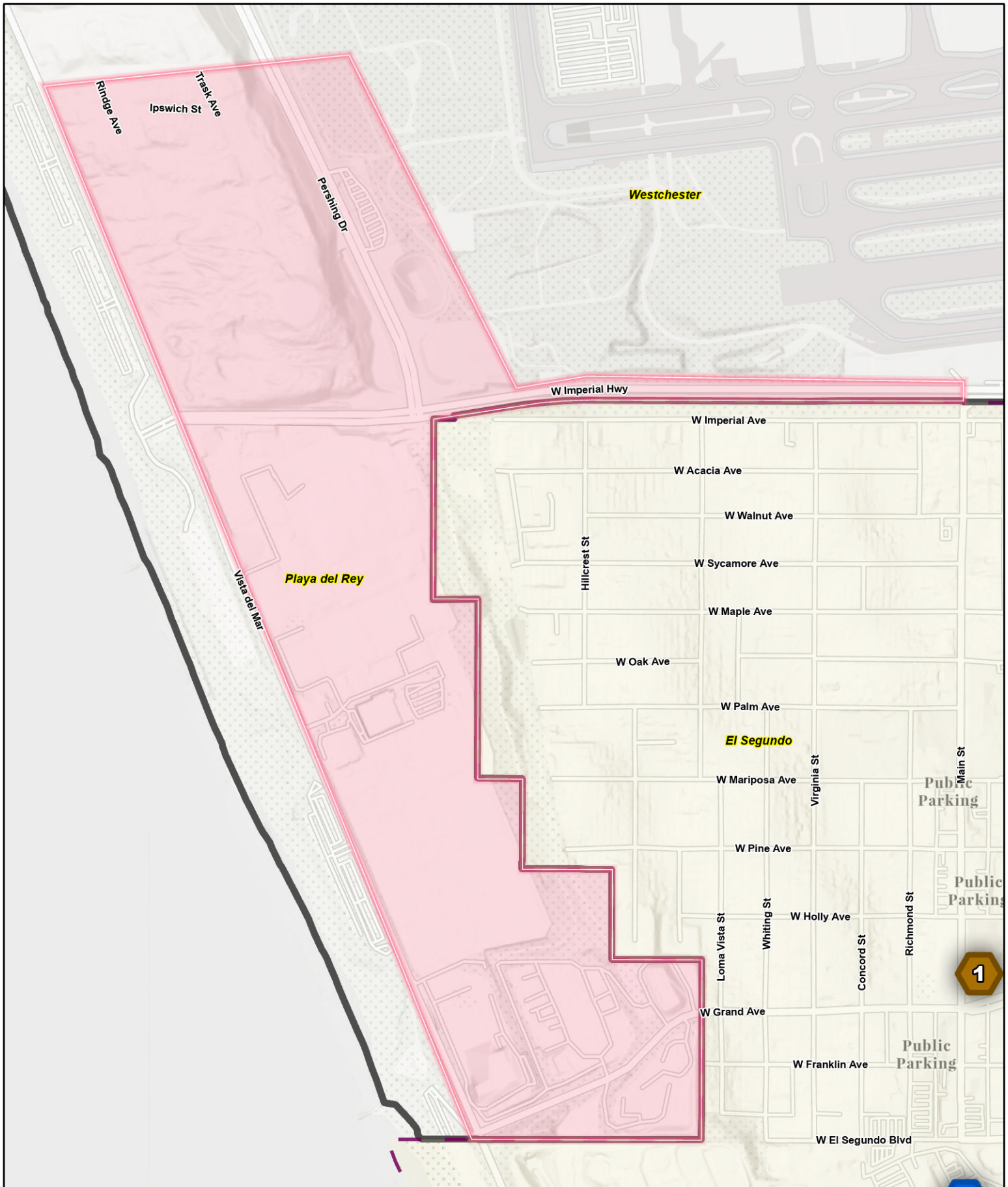


Automatic Aid Boundary - Fire Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID: ELS to LFD FIRE RESPONSE

Resource(s):
1. Engine

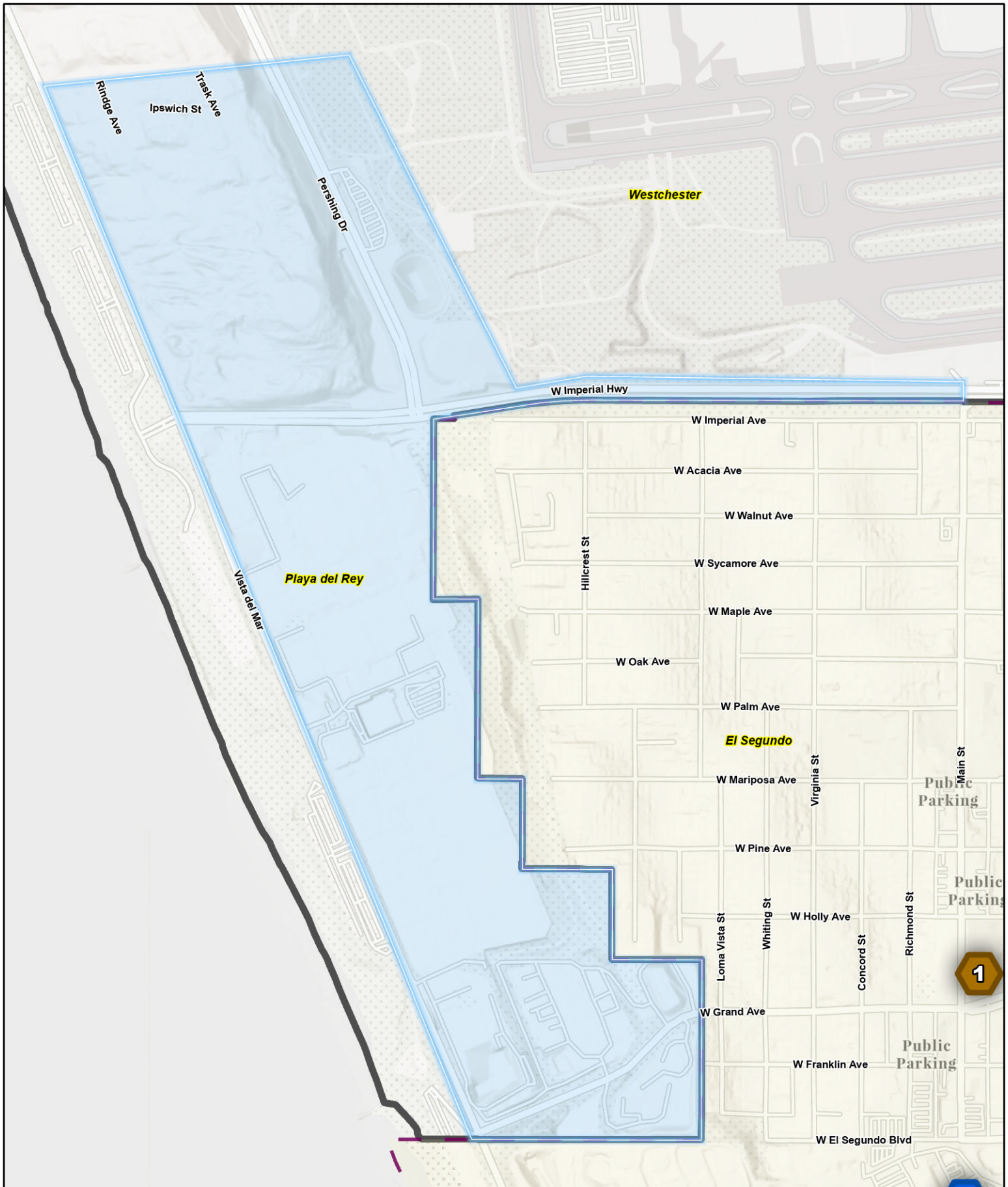


Automatic Aid Boundary - EMS Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID:
ELS to LFD
EMS RESPONSE

Resource(s):
1. Engine
1. ALS or BLS

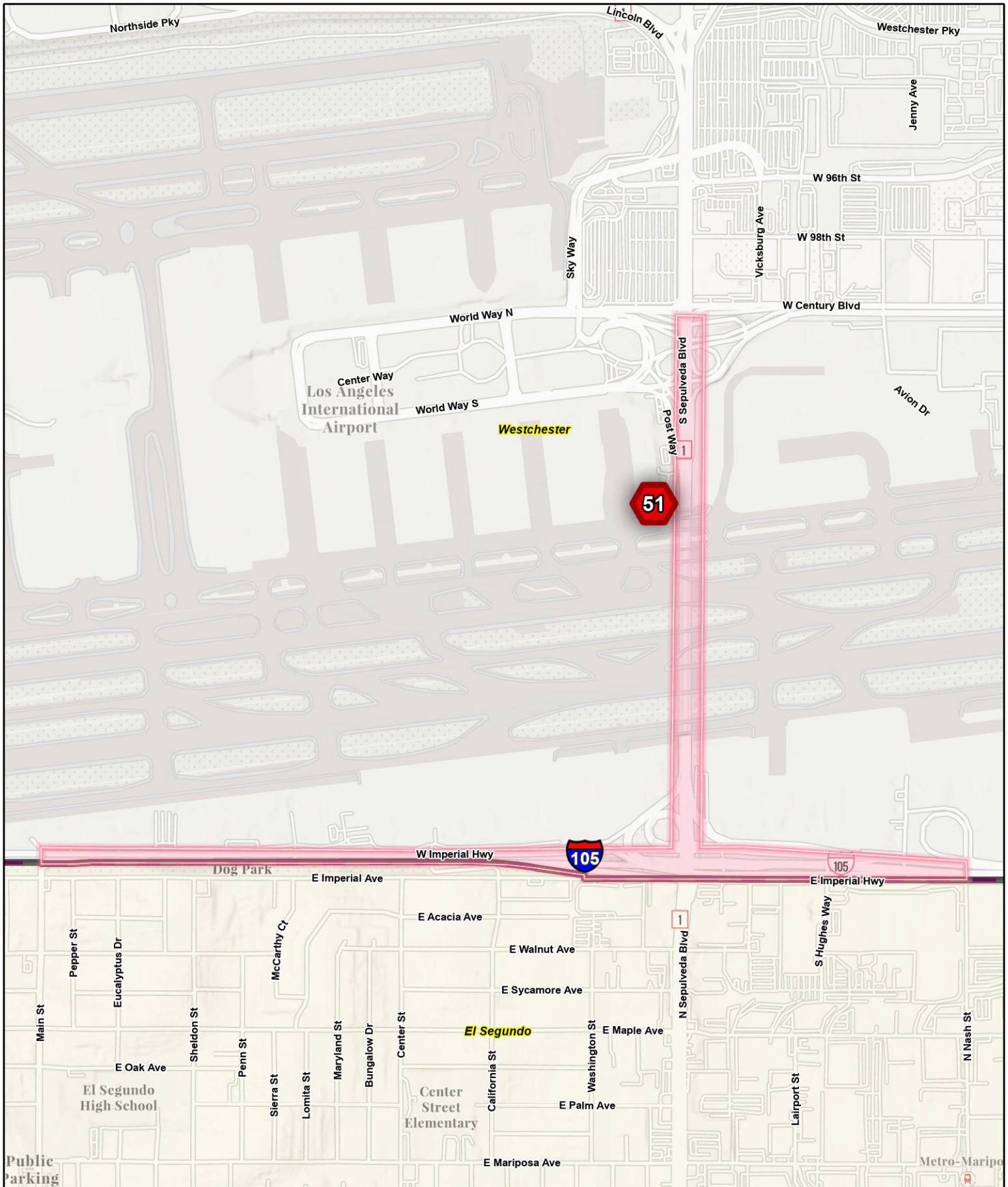


Automatic Aid Boundary - Fire Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID: ELS to LFD FIRE RESPONSE

Resource(s):
1. Engine



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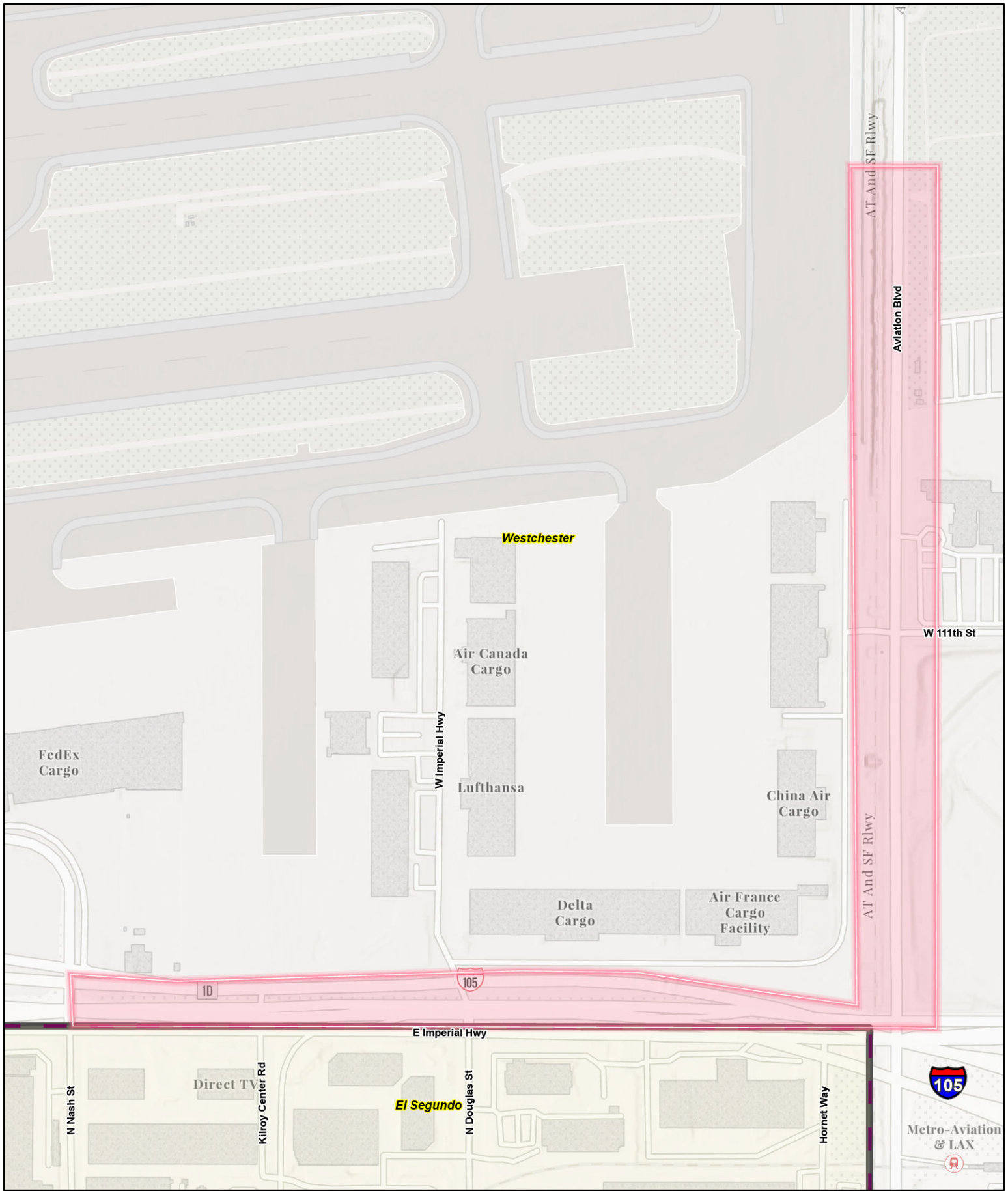
Automatic Aid Boundary - Fire Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID: ELS to LFD FIRE RESPONSE

Resource(s):
1. Engine

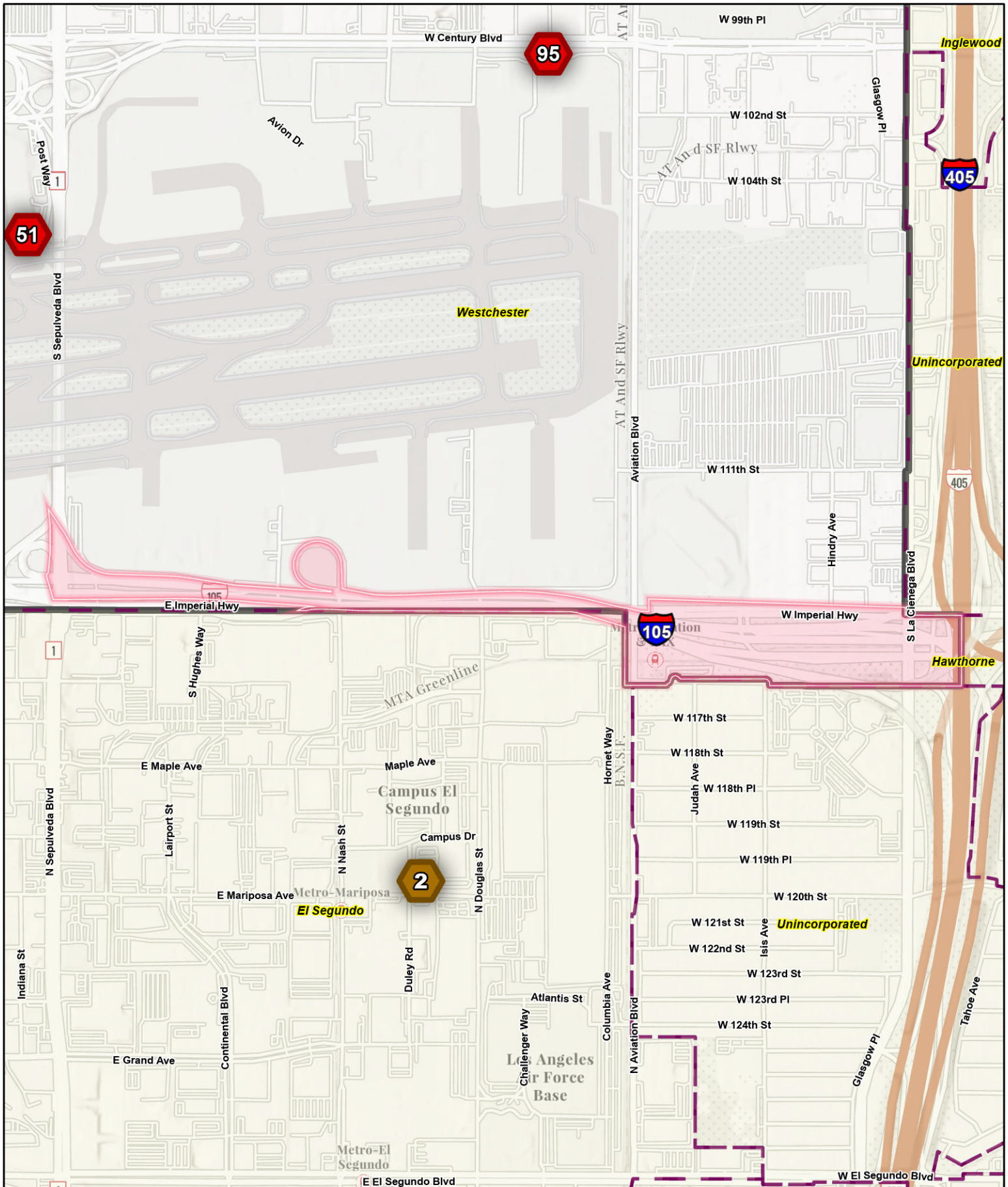


Automatic Aid Boundary - Fire Response
LFD Fire Stations
ELS Fire Stations
CFD Fire Stations
Los Angeles City Boundary
Other Cities Boundary

LOS ANGELES CITY FIRE DEPARTMENT

AUTOMATIC AID: ELS to LFD FIRE RESPONSE

Resource(s):
1. Engine



AUTOMATIC AID AGREEMENT
LOS ANGELES FIRE DEPARTMENT &
EL SEGUNDO FIRE DEPARTMENT

JULY 1, 2022

AUTOMATIC AID AGREEMENT FOR EXCHANGE OF FIRE PROTECTION, SPECIALIZED, RESCUE AND EMERGENCY MEDICAL SERVICES BETWEEN THE CITY OF LOS ANGELES AND THE CITY OF EL SEGUNDO

W I T N E S S E T H

WHEREAS, the parties to this Agreement provide fire protection, medical services, specialized and rescue services within their respective jurisdictional limits; and

WHEREAS, fire and rescue resources for the City of El Segundo are dispatched through a central dispatch center known as South Bay Regional Communications Center (RCC); and

WHEREAS, fire and rescue resources for the City of Los Angeles are dispatched through a central dispatch center known as Metropolitan Fire Communications (MFC); and

WHEREAS, it is in the best interest of El Segundo and Los Angeles to provide the most expeditious response to suppress fires and render other emergency assistance; and

WHEREAS, each party is desirous of providing to the other a reasonable and reciprocal exchange of emergency services on a day-to-day basis;

NOW, THEREFORE, in consideration of these mutual covenants, the parties hereto agree as follows:

1. Revisions

This Letter of Agreement may be revised or amended at any time by mutual agreement of the Fire Chiefs of the El Segundo Fire Department (ELS) and the Los Angeles Fire Department (LFD). All amendments to this Agreement shall be in writing and signed by the Fire Chiefs or their duly designated Acting Fire Chiefs.

It is agreed that substantial reductions or modifications of services by any of the agencies shall be cause for reconsideration of the Agreement.

2. Term

This Agreement shall commence, once executed by all parties hereto, on **July 1, 2022** and shall remain operative and effective through **June 30, 2025**. Parties shall meet on or about **October 1, 2024** to begin review and revision meetings. Any of the parties may terminate the Agreement at any time by giving written notice to the other party at least thirty (30) days prior to the date of withdrawal.

3. Mutual Benefits

ELS and LFD intend that this Agreement will provide mutual benefits to each party. The Fire Chiefs of ELS and LFD are hereby authorized to identify and revise as they deem necessary any designated areas or types of response periodically as may be dictated by changing conditions and the requirements of mutual benefits to each party.

4. Incident Command

In those instances where the assisting Department arrives before the jurisdictional Department, the assisting Department will take the necessary action dictated by the situation. However, it is assumed that the jurisdictional Department will arrive shortly after the arrival of the assisting Department. Overall command of the incident will be assumed by the jurisdictional Department upon its arrival at the scene. The highest-ranking officer of the assisting Fire Department at the incident will become the Agency Representative (AREP). The resources of the assisting Department will be released from the scene as soon as practical by the jurisdictional Fire Department.

When it is deemed appropriate, the AREP may enter into Unified Command with the jurisdictional Department's Incident Commander. It is understood that such a decision may require approval from an Agency Administrator of the assisting and/or jurisdictional Department.

A common and agreed upon communications plan shall be established and utilized by all resources and Incident Commanders.

5. Commitment of Resources

It is mutually understood and agreed that this agreement does not relieve either party from the necessity and obligation of using its own resources for furnishing fire and rescue service within any part of its own jurisdiction, and that the assisting party's response to a request for aid will be dependent upon the existing emergency conditions within its own jurisdiction and the status of its resources.

6. Method of Requesting Aid

All requests for aid shall be via the respective dispatch center. Persons assigned to the dispatch center for each Department are authorized to send and receive such requests as per their respective operational procedures.

7. Intent of Agreement

The intent of this Agreement is to provide the jurisdictional agency with a more efficient and/or effective initial response to an emergency incident. The agreed upon resources should only be utilized until the jurisdictional agency is able to relieve the assisting agency with their own resources and/or obtain the appropriate emergency resources, not to exceed a 12-hour period of time. If the agreed upon resources are not available from the assisting agency at the time of the request from the jurisdictional agency, the assisting agency need not respond.

8. Fire Incident Reporting

Each agency shall be responsible for obtaining needed information to complete fire reports for incidents within their respective jurisdiction. Assisting units shall contact jurisdictional units to provide appropriate information for completion of fire reports.

9. Training

Joint training exercises will be conducted periodically upon agreement by the parties (minimum of one per year). These training exercises shall be coordinated with LFD and ELS Battalion Commanders.

10. Services by Los Angeles Fire Department

LFD agrees to provide a designated fire, EMS and/or technical rescue response, as jointly agreed upon by the Fire Chiefs of LFD and ELS, upon request by ELS to designated areas located within the jurisdiction of El Segundo.

11. Dispatch by Los Angeles Fire Department

Upon receipt by Los Angeles of an alarm within a designated area located within the jurisdiction of Los Angeles, LFD, as the jurisdictional Department, will dispatch its nearest available and appropriately designated fire response to that alarm and also notify the ELS fire dispatcher who will, in turn, dispatch the agreed-upon ELS response.

12. Services by El Segundo Fire Department

ELS agrees to provide a designated fire and EMS response, as jointly agreed upon by the Fire Chiefs of ELS and LFD, upon request by LFD to designated areas located within the jurisdiction of Los Angeles.

13. Dispatch by El Segundo Fire Department

Upon receipt by the ELS of an alarm within a designated area located within the jurisdiction of El Segundo, ELS (as the jurisdictional Department) will dispatch its nearest available and appropriately designated fire, EMS, or rescue response to that alarm and also notify an LFD fire dispatcher who will, in turn, dispatch the agreed-upon LFD response.

14. Amount and Type of Assistance

A. LFD to ELS

When requested by ELS, LFD agrees to provide the following resources to combat emergency incidents which are within the defined areas identified on the attached map. (See map #1) Additional resources may be authorized by the Fire Chief or Deputy Department Commander of LFD upon request.

Structure Fire Response

- Initial Dispatch: The closest available Task Force (Light Force and Engine) and one Battalion Chief into the city of El Segundo designated on the attached map.

- Additional resources: After the initial dispatch of one Task Force, ELS may request up to the remaining balance of a category “B” assignment (one Task Force, one engine, one Battalion Chief, and (if necessary) an additional Chief Officer to serve as an agency representative. Additional resources above a category “B” assignment may be authorized by the Fire Chief or Deputy Department Commander of the LFD upon request.

EMS Response

- One ALS ambulance into the city of El Segundo designated on the attached map. See Map#1A

Specialized and Technical Rescue resources

- Any request by ELS for specialized and technical resources (e.g. Hazmat, USAR, Heavy Rescue etc.) shall be approved by the LFD Deputy Department Commander (through the MFC Dispatch Center)

B. ELS to LFD

When requested by LFD, ELS agrees to provide the following resources to combat emergency incidents which are within the defined areas identified on the attached map.

Additional resources may be authorized by the ELS Operations Chief/Duty Chief or Fire Chief upon request.

Fire Response

- One Engine on Vista Del Mar from one-half mile north of Imperial Highway on the north to the El Segundo city boundary on the south. (See Map#2)
- One Engine on northbound Sepulveda Blvd from Imperial Hwy to Century Blvd. (See Map#3)
- One Engine on Aviation Blvd from Imperial to one-half mile north of Imperial Hwy. (See Map#4)
- One Engine on eastbound/westbound I-105 freeway from Sepulveda Blvd. to I-405 freeway. (See Map #5)

EMS Responses

- One Engine with one ALS/BLS ambulance on Vista Del Mar from one-half mile north of Imperial Highway on the north to the El Segundo city boundary on the south. (See Map#2A)

Freeway Incidents: Fire, EMS, and Technical Rescue

- One engine eastbound/westbound on the I-105 Freeway between the Sepulveda Blvd. and the I-405 Freeway. (See Map#5)

15. Communications System

The Parties agree to share the use of communication systems, radios and radio frequencies for the execution of this Agreement. Sharing of the frequencies must be approved only by authorized personnel for each party and documented in the Incident Action Plan (IAP). The communications plan will be reviewed annually and included in the recurrent joint training exercise.

When a Battalion Chief is assigned to the incident from the assisting agency (i.e. structure fire, swift water and freeway physical rescue), a common command channel of the jurisdictional agency shall be used by all assigned Officers, while each agency's line personnel may operate on their agency's tactical radio channel(s) as specified in the communications plan.

For incidents where there is **NO** Battalion Chief assigned from the agency providing assistance (i.e. auto and other fires on the freeway, EMS incidents, etc.) agencies' Company Commanders will communicate with each other using the tactical radio channel assigned to the agency having jurisdiction.

16. No Third-Party Benefit

This Agreement shall not be construed as, or deemed to be, an Agreement for the benefit of anyone not a party hereto, and anyone who is not a party hereto shall not have a right of action hereunder for any cause whatsoever.

17. Consideration

No party furnishing aid pursuant to this Agreement shall be entitled to compensation for services rendered to the requesting agency, it being understood that the respective covenants contained in this Agreement shall constitute the sole consideration for such services.

18. Hold Harmless

It is mutually understood and agreed that the party requesting assistance is not required to indemnify the party furnishing assistance as to liability or damage imposed by law upon the assisting party for any act or omission of the assisting party or its employees occurring in the performance of the services.

19. No Effect on Master Mutual Aid Agreement

It is mutually understood that this Agreement will in no way affect or have a bearing on the existing California Master Mutual Aid Agreement.

20. Previous Agreements Canceled

This agreement supersedes and cancels any previous Automatic Aid Agreement between the parties.

(Signature Page Follows)

IN WITNESS WHEREOF, this Agreement has been executed on the _____ day of _____, 2022 and is effective and operative as to each of the parties as herein provided.

CITY OF LOS ANGELES

By _____
Kristin M. Crowley
Fire Chief

Approved as to form and legality:

MICHAEL N. FEUER
City Attorney

By _____
KIMBERLY MIERA
Deputy City Attorney

CITY OF EL SEGUNDO

By _____
Deena Lee
Fire Chief

By _____
DREW BOYLES
Mayor

Approved as to form:

By _____
MARK HENSLEY
City Attorney

Approved as to content:

By _____
Darrell George
City Manager (Interim)

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Consent
Item Number: B.17

TITLE:

Resolution Allowing Continued Teleconferenced Public Meetings.

RECOMMENDATION:

1. Approve the proposed resolution to continue the City's utilization of relaxed teleconferencing requirements under the Brown Act.

FISCAL IMPACT:

The proposed action will have no significant fiscal impact.

BACKGROUND:

Assembly Bill No. 361 (“AB 361”) amended certain provisions of the Ralph M. Brown Act governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously-issued gubernatorial executive orders. AB 361 allows a legislative body to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided it makes certain findings outlined in Government Code § 54953(e). Government Code § 54953(f) allows the municipal, but not state, legislative bodies to continue such teleconferencing until the earlier of the lifting of the Governor’s state of emergency declaration or December 31, 2023, so long as certain findings are made every 30 days.

DISCUSSION:

Since the Governor’s state of emergency is still effective through at least June 30, 2022 and the County of Los Angeles continues to strongly recommend certain masking and social distancing measures, the necessary findings can be made for the City Council to adopt the proposed Resolution allowing the continued use of “hybrid” teleconferenced meetings pursuant to Government Code §§ 54953(e) and 54953(f) for a period of 30 days from the date of adoption of the propsoed Resolution.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:
Joaquin Vasquez, Assistant City Attorney
REVIEWED BY:
Mark Hensley, City Attorney
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. ES- Reso AB 361 Extension 04192022

RESOLUTION NO. _____-

A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO FINDING THAT CERTAIN CONDITIONS EXIST TO CONTINUE CONDUCTING PUBLIC MEETINGS VIA TELECONFERENCING PURUSANT TO GOVERNMENT CODE SECTION §§ 54953(e) AND 54953(f).

The City Council of the city of El Segundo does resolve as follows:

SECTION 1. *Findings*. The City Council finds and declares as follows:

A. On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of the COVID-19 pandemic.

B. This gubernatorial proclamation, among other things, suspended local government emergency declaration, reporting, and extension requirements of Government Code § 8630 for the duration of the COVID-19 pandemic.

C. Effective September 16, 2021, Assembly Bill No. 361 ("AB 361") took effect which, among other things, amends certain provisions of the Ralph M. Brown Act ("Brown Act") governing open meetings to allow teleconferencing, including internet-based video conferencing, in a manner similar to previously issued gubernatorial executive orders.

D. During a proclaimed state of emergency, AB 361 allows a legislative body, like the City Council, to continue utilizing teleconferencing to conduct public meetings under certain circumstances, provided the legislative body makes certain findings.

E. The City Council has previously adopted and made findings to continue meeting via teleconferencing pursuant to AB 361 and seeks to make additional findings under Government Code § 54953(e) to continue such teleconferencing use.

F. Effective February 25, 2022, the Governor extended the statewide COVID-19 emergency until June 30, 2022 pursuant Executive Order N-04-22.

G. The Los Angeles County Department of Public Health issued an order, effective March 4, 2022, that lifted its indoor mask order given the county's coronavirus community level dropping into the "low" category, but maintained that masks are "strongly recommended" in indoor settings to prevent transmission of COVID-19.

SECTION 2. *Teleconferencing; Ratification.*

A. Pursuant to Government Code § 54953(e), the City Council has reconsidered the circumstances of the state of emergency finds as follows:

    1. California continues to be in a declared state of emergency pursuant to Government Code § 8625 (the California Emergency Services Act; *see* Government Code § 54953(e)(3); *see also* Governor's Proclamation dated March 4, 2020 and Executive Order N-04-22 dated February 25, 2022); and

    2. Based upon the most recent Order of the Health Officer for County of Los Angeles Department of Public Health (dated March 3, 2022 and effective March 4, 2022), masks are strongly recommended to curb the spread of COVID-19 (Government Code § 54953(e)(3)(B)(ii)).

B. Accordingly, to protect public health and safety the City Council:

    1. Finds that it is in the public interest to conduct public meetings of its legislative bodies via teleconference as defined by Government Code § 54953;

    2. Directs all such Brown Act-subject City legislative bodies, including applicable commissions, committees, and boards, to consider the continued adoption of findings allowing for its conduct public meetings via teleconference.

    3. Authorizes legislative body members to appear at regular and special meetings in person; and

    4. Authorizes public officials, designated by the City Manager, or designee, to attend such public meetings if presenting matters to the legislative body or if the official's presence at the meeting is otherwise deemed necessary by the City Manager or designee.

C. The City Council will adhere to all requirements of Government Code § 54953 governing teleconferencing during the emergency including, without limitation, posting agendas; allowing for real-time public comment via either call-in or internet-based; allowing for written communications that will be either read or summarized into the record during the meeting as determined by the City Council; and protecting the statutory and constitutional rights of all persons appearing before the legislative body.

SECTION 3. *Environmental Review.* This Resolution itself and the actions anticipated herein were reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, et seq., the "CEQA Guidelines"). Based upon that review, this action is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain service essential to the public, health and welfare.

SECTION 4. *Reporting.* Every 30 days following adoption of this Resolution, the City Council will reconsider the extension of the teleconferencing method of public meetings in accordance with Government Code § 54953(e)(3). Such determinations may be placed on the consent calendar.

SECTION 5. *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6. *Signature Authority*. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 7. *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 8. *City Clerk Actions*. The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City's book of original Resolutions, and make a record of this action in the meeting's minutes.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day

of _____, 2022, and the same was so passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK HENSLEY, CITY ATTORNEY

_____
Joaquin Vazquez, Deputy City Attorney

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Staff Presentations
Item Number: D.18

TITLE:

Conversion of the Finance Manager Classification from Civil Service to At-Will Status, Adoption of Revised Classification Specification and Examination Plan, and Modification of Salary Range

RECOMMENDATION:

1. Approve the conversion of the Finance Manager classification from Civil Service to at-will status.

2. Adopt the revised classification specification and examination plan for the Finance Manager position.

3. Adopt proposed resolution to establish a modified salary range for the Finance Manager classification.

FISCAL IMPACT:

Sufficient funding for the current fiscal year is available in the adopted budget. The fiscal impact, if any, of the proposed salary range adjustment will depend on the actual salary of the replacement Finance Manager, which will not be known until after the recruitment is concluded in two to three months.

BACKGROUND:

The Human Resources Department is committed to improving and enhancing, recruitment, selection and retention initiatives using industry best practices. When the Finance Manager became vacant in March, Human Resources partnered with the Finance Department to conduct a review of the position and develop an effective recruitment strategy to attract the most qualified candidates.

Currently, the Finance Manager is a Civil Service position requiring successful completion of a one-year probationary period to achieve permanent status and is included in the unrepresented Management and Confidential Group. The City has been

converting Division Manager level classifications to an at-will status as positions become vacant. Consistent with this practice, staff is also recommending conversion of the Finance Manager.

Included in the position review was an evaluation of the overall classification specification and accompanying examination plan as well as a salary survey of comparable positions among our survey cities. The attached revised classification specification includes updated language and formatting. Currently, the examination plan consists a structured technical and career preparation interview weighted at 100% of the total score. This is very appropriate for a Division Manager level position and no changes are recommended to the examination plan. The survey indicates that this position is compensated below market and staff is recommending an adjustment to salary range to attract a competitive candidate pool.

DISCUSSION:

A Division Manager position holds a significant level of responsibility and is key in succession planning as an employee in this role has the potential to become a Department Director. At-will status provides an incentive to maintain a higher level of performance and prepares an employee to progress in their career with the City as an at-will Department Director.

Staff is recommending converting the Finance Manager position from Civil Service to at-will to align with other Division Manager positions in the Development Services, Finance and Human Resources Departments. In reviewing the classification specification, updates are recommended to include the at-will designation and standardized language regarding driver's license and disaster service worker requirements.

The median top step of the Finance Manager salary range among our comparison survey cities is $13,615 per month. An adjustment to the widen the salary range from $10,292 to $12,350 per month to $10,292 to $13,615, will provide the City with a stronger position in the market to attract the highest caliber quality candidates possible to fill this essential position.

Staff recommendations provided above align with the City's Strategic Plan Goals 1 and 3, to enhance customer service, provide unparalleled service to internal and external customers and to consistently hire for the future.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 3: Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external

customers.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future, with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

PREPARED BY:
Rebecca Redyk, Human Resources Director
REVIEWED BY:
Rebecca Redyk, Human Resources Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Finance Manager Classification Specification
2. Finance Manager Examination Plan
3. Resolution Modifying Finanace Manager Salary Range
4. Exhibit A to Resolution

Finance Manager (At-Will)

DESCRIPTION:

Under general direction, assists in the development, management, operation and evaluation of fiscal affairs and operations for the City; plans, manages and coordinates staff and activities involved in general accounting, purchasing, payroll, risk management, budget development, audits and related functions.

SUPERVISION RECEIVED AND EXERCISED:

Receives general supervision from the Chief Financial Officer. Supervises various staff levels in the Accounting Division.

ESSENTIAL JOB FUNCTIONS:

Essential functions, as defined under the Americans with Disabilities Act, may include the following duties and responsibilities, knowledge, skills and other characteristics. This list of duties and responsibilities is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by positions in this class.

Characteristic Duties and Responsibilities:

Positions in this classification typically perform a full range of duties at a level of complexity represented by the following types of responsibilities:

- Assists in the planning, direction and coordination of activities and services within the Finance Department; participates in the development of policy and procedures; recommends and participates in the development of departmental goals, objectives and policies; assists in the administration of contracts for department services and ensures services are provided according to contract provisions;

- Plans, manages and coordinates the day to day activities, services and staff involved in the Department's accounting, purchasing, payroll and risk management functions; performs advanced-level professional financial and risk management program/service delivery for the City. This includes but is not limited to overseeing the work of various general accounting functions; accounts payable functions; purchasing functions; reviews and approves various financial transfers; reviews and approves journal vouchers and budget adjustments; conducts budget account analyses; produces and distributes selected financial statements, financial summaries and management reports; prepares and monitors annual budgets for assigned divisions;

- Assists in the implementation and administration of fiscal management programs including budget monitoring, forecasting, collection/disbursement of revenues, internal and external audits and preparation of the City's annual budget; prepares financial reports according to federal and state rules, regulations and laws, City policies and procedures, and generally accepted accounting principles;

- Prepares financial, statistical, budgetary and analytical studies and reports; prepares detailed financial statements; verifies fund balances; prepares revenue projections, audits revenues, expenditures and grants;

- In collaboration with the Director of Finance, provides leadership, program development, administration and coordination of fiscal operations and services; serves as liaison with the community, professional groups and other external contacts and resources on behalf of the City;

- Coordinates fiscal operations activities with activities of other programs, departments or staff to ensure program delivery according to appropriate budgets, policies, procedures and specifications;

- Resolves discrepancies or procedural problems and responds to program administration and/or program delivery questions ensuring necessary follow-up occurs; controls program records for operational and budget accountability; confers with and advises staff and program participants by providing advice, problem solving assistance, answers to questions and interpretation of program goals and policy;

- Directly and through subordinate supervisors, recruits, directs work efforts and evaluates staff; provides for and/or conducts staff development; establishes work methods and standards; initiates corrective and/or disciplinary action and responds to grievances and complaints according to established personnel policies and procedures and in consultation with Human Resources;

- Regularly and predictably attend work; and

- Perform related duties as assigned.

Knowledge, Skills and Other Characteristics:

To perform this job successfully, an individual must be able to perform each essential function. The requirements listed below are representative of the knowledge, skill, and/or ability required.

Knowledge of:

- Fiscal operations and generally accepted accounting principles and practices. Knowledge of automated business computing systems.

- Principles and practices of effective leadership, management and supervision.
- Project management principles and practices.
- Department accounting, purchasing, payroll, budget development, federal and state program audits, annual financial statement audit and risk management functions.

Skill in:

- Program development, implementation and evaluation. Skill in preparing complex financial and statistical reports.
- Managing, developing, motivating and evaluating professional and support staff. Managing special projects, activities and programs.
- Performing advanced-level professional financial and risk management program/service delivery for the City.
- Assessing objectives and operational requirements to develop and implement appropriate operational policies and procedures.
- Operating modern office equipment and related financial software;
- Conducting research and preparing clear, concise and comprehensive reports;
- Understanding and applying complex regulations, procedures and guidelines;
- Preparing and administering a division budget;
- Gaining cooperation through discussion and persuasion;
- Communicating clearly and concisely, both orally and in writing;
- Appearing for work on time;
- Following directions from a supervisor;
- Understanding and following posted work rules and procedures;
- Accepting constructive criticism;
- Working under pressure, handling significant problems and tasks that arise simultaneously and/or unexpectedly; and
- Establishing and maintaining effective working relationships with staff, other City employees, and the public.

QUALIFICATIONS:

A combination of experience and training that would likely provide the required knowledge, skills, and abilities may be qualifying. A typical way to obtain the knowledge and abilities would be:

Experience: Five (5) years of progressively responsible government accounting experience including two (2) years of management and supervisory experience.

Education: Bachelor's degree in Accounting, Business Administration, Economics, Finance or a directly related field.

Certified Public Accountant (CPA), Certified Public Finance Officer (CPFO), and/or Master's degree in Accounting, Business Administration, Economics, Finance, Public Administration or a directly related field is preferred.

License/Certificates: Due to the performance of some field duties which require the operation of a personal or City vehicle, a valid and appropriate California driver's license and an acceptable driving record are required.

Disaster Service Worker: In accordance with Government Code Section 3100, City of El Segundo Employees, in the event of a disaster, are considered disaster service workers and may be asked to respond accordingly.

The City of El Segundo is an Equal Opportunity Employer, committed to supporting Diversity Equity and Inclusion initiatives to build and sustain an environment that values diversity, welcomes opportunities to engage and understand others, and fosters a sense of belonging.

Unrepresented Management and Confidential
Revision Date: May 25, 2016
April 19, 2022

Examination Plan

Finance Manager (At-Will)

Open-Competitive and/or Closed Promotional

Structured Technical and Career Preparation Interview Weighted 100%

May include a structured writing/analysis skills test; and/or other professional skills examination included within the overall applicant testing process, as may be deemed appropriate

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO, CALIFORNIA MODIFYING THE BASIC MONTHLY SALARY RANGE FOR A FULL-TIME JOB CLASSIFICATION

The City Council of the City of El Segundo does resolve as follows:

SECTION 1: The City Council approves the basic monthly salary range for the following position as reflected in Exhibit A:

Finance Manager

SECTION 2: *Authority.* The City Manager or his designee is authorized to take any steps necessary in order to effectuate this Resolution.

SECTION 3: *Construction*. This Resolution must be broadly construed in order to achieve the purposes stated in this Resolution. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Resolution.

SECTION 4: *Severability.* If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 5: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City's original resolutions and make a minute of this adoption of the Resolution in the City Council's records and the minutes of this meeting.

SECTION 6: This Resolution is effective April 19, 2022 and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 19th day of April 2022.

_____
Drew Boyles,
Mayor

Attachment: Exhibit A- Salary Schedule

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. ____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the ___ day of _____, 2022, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:

_____
Mark D. Hensley, City Attorney

EFFECTIVE DATE	SALARY REVISION EFFECTIVE DATE	AGREEMENT NUMBER	JOB CLASS TITLE	GROUP BU	GRADE	PAY TYPE	HOURLY	MONTHLY	ANNUAL
UNREPRESENTED: EXECUTIVE, MID-MANAGEMENT, CONFIDENTIAL EMPLOYEES									
6/4/2019	4/19/2022	5154	Finance Manager	MANAGEMENT	55m	Salaried	59.38	10292.33	123507.96
							78.55	13615.00	163380.00

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Staff Presentations
Item Number: D.19

TITLE:

FY 2021-2022 Mid-Year Citywide Budget Report and Recommended Adjustments.

RECOMMENDATION:

1. Receive FY 2021-2022 Citywide Mid-Year Budget Update.

2. Amend FY 2021-2022 General Fund Revenues from $74,802,700 to $75,207,165 and Appropriations from $77,651,553 to $78,689,553 (see exhibit A for details).

3. Amend FY 2021-2022 Golf Fund Appropriations from $10,000 to $32,000 (see exhibit A for details).

4. Amend FY 2021-2022 General Liability Fund Appropriations from $3,094,306 to $3,194,306 (see exhibit A for details).

5. Amend FY 2021-2022 Solid Waste Fund Revenue from $0 to $420,000 (see exhibit A for details).

FISCAL IMPACT:

The proposed General Fund, Golf Fund, and General Liability Fund Budget adjustments are necessary to ensure FY 2021-2022 ends with a balanced budget on June 30, 2022, as well as ensure City Council strategic goals are implemented. The total fiscal impact to the General Fund is an increase in appropriations of $1,038,000 and an increase to General Fund revenues in the amount of $404,465.

An increase in the General Liability Fund (Fund 602) appropriations of $100,000.

An increase to the Golf Fund (Fund 503) appropriations of $22,000.

An increase in the Solid Waste Fund (Fund 505) revenue of $420,000.

BACKGROUND:

On June 15, 2021, City Council adopted the FY 2021-2022 Citywide Operating and Capital Budget of $160,038,672 for all funds. Of this amount, $77,651,553 was allocated to the General Fund Budget. The General Fund pays for the majority of the City's basic operations, services, and general capital improvement projects. Sample General Fund services include: public safety (police, fire, paramedics, emergency services), public works (highways, streets, engineering), community services (parks, recreation programs, senior programs, teen programs, library, arts & culture), development services (planning, building services, zoning, housing), support services (City Clerk, City Treasurer, finance, information technology, human resources), and general governance and administration (City Council, City Manager, City Attorney).

The following table provides an overview of the adopted FY 2021-2022 Citywide Budget:

No.	Fund Name	FY 2021-22 Adopted Budget	% of Budget
1	General Fund	$77,651,553	48.5%
2	Water Fund	31,314,039	19.6%
3	Transportation Funds	10,242,136	6.4%
4	Debt Service POBs	9,800,000	6.1%
5	Wastewater Fund	6,520,356	4.1%
6	General Fund CIP	5,055,900	3.2%
7	Equipment Replacement Fund	5,000,000	3.1%
8	Workers Compensation Fund	3,490,975	2.2%

9	General Liability Fund	3,094,306	1.9%
10	Dev. Services Trust	1,900,000	1.2%
11	Public Safety Special Rev.	1,802,948	1.1%
12	Other Special Rev.	1,650,800	1.0%
13	Rec & Econ Dev Trust Funds	1,000,000	0.6%
14	Cultural Dev. Trust Fund	585,346	0.4%
15	Debt Service Fund	545,000	0.3%
16	Solid Waste Fund	270,000	0.2%
17	Senior Housing Fund	105,313	0.1%
18	Golf Fund	10,000	0.0%
19	Economic Uncertainty	0	0.0%
	Total	**$160,038,672**	**100.0%**

The General Fund represents the largest portion of the Citywide Budget at $77,651,553 (48.5%). Enterprise Funds represent the second largest group at 23.9%, as follows: Water Fund at $31,314,039; Wastewater Fund at $6,520,356; Solid Waste Fund at $270,000; and, Golf Fund at $10,000. Internal Service Funds total 7.2%, as follows: Equipment Replacement Fund at $5,000,000; Workers' Compensation Fund at $3,490,975; and, General Liability Fund at $3,094,306.

The General Fund Capital Improvement Program (CIP) Fund totals $5,055,900 (or 3.2% of all funds). This consists of $4,830,400 in carryover funding from prior fiscal years and $225,500 represents funding for new projects. There are a total of 14 General Fund CIP projects that will either be active during the fiscal year or will

continue to accumulate funding for future activation (such as The Plunge Rehabilitation Project).

The remainder of the funds consist of special revenue funds dedicated to specific purposes. These include the Transportation related Funds (Measure M & R, Prop. A & C, Gas Tax, and TDA-3 Funds), Debt Service Fund, Development Services Trust Fund, Recreation and Parks Fund, Economic Development Fund, Cultural Development Trust Fund, and Senior Housing Project (Park Vista) Fund.

It is the City's practice to prepare quarterly budget updates. On January 18, 2022, City Council was provided with a FY 2021-2022 First Quarter Budget Update for the General Fund and Enterprise Funds which reflected a cautious and steady outlook due to the ongoing COVID-19 Pandemic and the impacts on the local economy.

DISCUSSION:

Please refer to the attached report for discussion of the FY 2021-2022 mid-year Budget review.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:
Joseph Lillio, Chief Financial Officer
REVIEWED BY:
Joseph Lillio, Chief Financial Officer
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. FY 2021-22 Mid-Year Budget Report
2. Exhibit A - Itemization of Mid-Year Appropriation Requests_FY 2021-22

DISCUSSION:

When the FY 2021-2022 Citywide Budget was adopted on June 15, 2021, the duration of the global pandemic, COVID-19, was ongoing for sixteen months and it was unclear as to when COVID-19 would end. Nine months after the adoption of the FY 2021-2022 Budget, there is more clarity. Based on the anticipated benefits of the current vaccinations and overall improvement to the national, state, and regional economies, the following table represents the projected year-end projected appropriations for each City fund:

No.	Fund Name	FY 2021-22 Adopted Budget	FY 2021-22 Year-end Projected Budget	$ change	% change
1	General Fund	$77,651,553	$78,954,278	$1,302,725	1.7%
2	Water Fund	31,314,039	30,114,039	(1,200,000)	(3.8%)
3	Transportation Funds	10,242,136	3,242,136	(7,000,000)	(68.3%)
4	Debt Service POBs	9,800,000	9,800,000	-	-
5	Wastewater Fund	6,520,356	5,870,356	(650,000)	(10.0%)
6	General Fund CIP	5,055,900	5,055,900	-	-
7	Equip. Replacement Fund	5,000,000	1,000,000	(4,000,000)	(80.0%)
8	Workers Comp. Fund	3,490,975	3,490,975	-	-
9	General Liability Fund	3,094,306	3,194,306	100,000	3.2%
10	Dev. Services Trust	1,900,000	1,900,000	-	-
11	Public Safety Special Rev.	1,802,948	1,302,948	(500,000)	(27.7%)
12	Other Special Rev.	1,650,800	1,650,800	-	-
13	Rec & Econ Dev Trust Fnd	1,000,000	300,000	(700,000)	(70.0%)
14	Cultural Dev. Trust Fund	585,346	585,346	-	-
15	Debt Service Fund	545,000	545,000	-	-
16	Solid Waste Fund	270,000	270,000	-	-
17	Senior Housing Fund	105,313	105,313	-	-
18	Golf Fund	10,000	32,000	22,000	220%
19	Economic Uncertainty	0	0	-	-
	Total	**$160,038,672**	**$147,413,397**	**($12,625,275)**	**(7.9%)**

The following is a brief discussion on each fund:

1. General Fund
   The increase of $1,150,000 is due to a higher number of retirements than anticipated in the adopted budget resulting in an increase in accrued leaves being paid out to retiring employees, an increase in the LAX mitigation efforts resulting in increased professional services costs, an increase in employee investigations out of the Human Resources Department, and an increase to transfers-out to fund the City's subsidy for the solid waste fund.

2. Water Fund
   The projected year-end expenses are anticipated to decrease by $1.2M due to capital projects moving into FY 2022-2023.

3. Transportation Funds
   This category includes: LA County Measures M and R, State Gas Tax, SB-1 Funds, LA County Propositions A and C, and TDA Article 3 Bikeway Fund. Capital and operational expenses are tracking in-line with the adopted budget. There are several road related capital projects underway that should be completed by June 30, 2022. There are approximately $7,000,000 in budgeted projects that will carry over to FY 2022-2023 during the upcoming budget process, the single largest one being Park Place Extension.

4. Debt Service – Pension Obligation Bonds (POBs)
   The projected year-end expenditures remain unchanged.

5. Wastewater Fund
   The projected year-end expenses are anticipated to decrease by $650,000 due to capital projects moving into FY 2022-2023.

6. General Fund CIP
   The projected year-end expenses remain unchanged.

7. Equipment Replacement Fund
   The decrease of $4,000,000. The City normally budgets 100% of available funds to streamline the budgeting process for the purchase of equipment and vehicles. However, in response to the impacts of COVID-19 during the current budget cycle, the purchase of replacement equipment and vehicles was reduced. This will not be a recurring practice.

8. Workers Compensation Fund
   The projected year-end expenses remain unchanged.

9. General Liability Fund
   The expected increase of $100,000 to the projected year-end budget is due to several employment claims filed against the City that are anticipated to drive expenditures higher than the adopted budget. The City's general liability insurance premiums and all general liability claims filed against the City are recorded in this fund. Due to the rising claims and legal expenses incurred by the City, it is likely that the cost of insurance to the City could increase in subsequent years, after experiencing reduced costs during the past three years. If the increases materialize, this could have a negative impact on the City's General Fund and other operating funds.

10. Development Services Trust
    There are three projects budgeted for FY 2021-2022: construction of the Permit

Center (one-stop shop), the General Plan update, and the downtown specific plan. All three projects have kicked off and will be completed by June 30, 2022, or will carry over into FY 2022-2023.

11. Public Safety Special Revenue Fund
The reduction of $500,000 in the projected year-end budget is a result of anticipated reduced expenses from the Asset Forfeiture Fund. This category includes Asset Forfeiture Fund, C.O.P.S. Fund, and Public Safety Augmentation Fund (PSAF).

12. Other Special Revenue Funds
The projected year-end expenditures remain unchanged. This category includes Measure W (LA County Stormwater Funds), Affordable Housing Fund, CUPA Funds (Fire Dept.), AQMD Fund, CDBG Fund, Federal Grants, and State Grants.

13. Recreation and Economic Development Trust Funds
The decrease of $700,000 to the projected year-end budget is due to several recreation related projects and programming being put on hold for FY 2021-2022, as a result of COVID-19. Economic development initiatives utilizing grant funds are underway and slated to ramp up in the final quarter of FY 2022.

14. Cultural Development Trust Fund
The projected year-end budget remains unchanged at $585,346. The Cultural Development Program commenced in FY 2019-2020 and is funded via a 1% “Fee for the Arts” on new commercial and industrial development to promote public art, foster quality economic development, and enhance public space aesthetics.

15. Debt Service Fund
The projected year-end expenses. The City makes two payments each year associated with the Douglas Street Gap Closure Capital Improvement project facility lease: One in February (interest only) and the other in August (principal and interest).

16. Solid Waste Fund
The projected year-end expenses are anticipated to remain unchanged. This reflects a recurring 25% General Fund subsidy for residential rates, for approximately $270,000 per year. The General Fund will not be able to maintain this subsidy and a plan will be developed to transition to a refuse collection model in which those that consume the service pay for their share of the cost. This type of General Fund subsidy is extremely rare in California, is not a Best Management Practice, and is frowned on by bond rating agencies.

17. Senior Housing Fund
The projected year-end expenses remain unchanged.

18. Golf Fund
The expected increase of $22,000 to the projected year-end budget is due to state mandated monitoring of labor compliance with prevailing wages for the Topgolf project.

19. Economic Uncertainty Fund
    The projected year-end expenses remain unchanged. The Fund balance remains at $1,900,000 in FY 2021-2022 with the policy goal of achieving a funding level of $2,000,000 in subsequent fiscal years.

FY 2021-2022 General Fund

Due to the impact of COVID-19 (mainly the loss of hotel Transient Occupancy Tax revenues), the FY 2021-2022 General Fund Budget preparation process began with a $9 million deficit. Staff worked diligently to strategize a plan to close this gap. Through discussions with City Council during the Strategic Planning and Budget Study sessions, the following approach was developed to close the $9 million gap and approved as part of the adopted budget:

- One-time use of OPEB Trust fund: $2,400,000
    - Currently 58% funded and no new contributions to the trust are required
    - Actuary assumption of $1,850,000 investment earnings for FY 2020-21
    - $6,800,000 in actual investment earnings through May 31, 2021
- One-time use of General Fund Balance: $2,025,125
    - After fully funding the 20% policy reserve
- Freeze 23.5 vacant positions: $2,174,875
    - 12.5 positions frozen for 12 months
    - 11 positions frozen less than 12 months
- Reduction to Operations & Maintenance items: $1,500,000
- Reduce Equipment Replacement fund contribution: $900,000

Although this approach is not ideal, this approach allowed the City to move forward with limited service and infrastructure maintenance impacts. This approach also complies with the City's Financial Policies.

FY 2021-2022 General Fund Revenues

The Adopted FY 2021-2022 General Fund revenue estimate was $74,802,700. Staff's revised year-end revenue estimate is $75,332,700. This reflects a $530,000 0.7% increase. This is primarily due to fluctuations of certain General Fund revenues which are describe in detail in the discussion under GF revenue analysis. The following table reflects the revised revenue estimates:

No.	General Fund Revenue	FY 2021-2022 Adopted Rev	FY 2021-2022 Year-end Est.	Dollar Change	% Change
1	Sales Tax	$12,250,000	$12,465,206	$215,206	1.8%
2	Business License Tax	11,750,000	11,380,000	(370,000)	-3.1%
3	Property Tax	10,432,525	9,842,525	(590,000)	-5.7%
4	Transient Occupancy Tax	8,420,000	10,475,000	2,055,000	24.4%
5	Chevron Tax Agreement	6,600,000	7,322,517	722,517	10.9%
6	Utility Users Tax	6,289,500	6,789,500	500,000	7.9%
7	Charges for Service	4,755,511	4,552,523	(202,988)	-4.3%
8	Transfers-In	4,013,235	2,011,733	(2,001,502)	-49.9%
9	Franchise Tax	3,000,000	3,000,000	0	-
10	Other Revenues	2,267,770	1,771,502	(496,268)	-21.9%
11	Intergovernmental Rev.	2,178,909	2,178,909	0	-
12	License & Permits	1,825,000	2,050,000	225,000	12.3%
13	Interest & Rentals	726,250	976,250	250,000	34.4%
14	Fines & Forfeitures	294,000	391,500	97,500	33.2%
15	FEMA COVID-19 Reimb.	0	125,535	125,535	N/A
	Total	**$74,802,700**	**$75,332,700**	**$530,000**	**0.7%**

FY 2021-2022 General Fund Revenue Analysis

Five revenue sources are estimated to experience significant to moderate reductions due to various reasons: Business License Tax (BLT), Property Tax, Charges for Services, Transfers-In, and Other Revenues. BLT revenues are estimated to be down by $370,000 due to some businesses that are no longer operating in the City in 2022, lower head count by a few of the businesses, and a slight increase in the number of businesses claiming the sales tax credit. Property Tax revenue is estimated to be lower by $590,000 due to successful Proposition 8 assessment appeals by several corporate landowners. Transfers-In are intentionally being reduced by $2 million in order to reduce the transfer-in from the City's OPEB Trust that was included as a budget balancing tool in the adopted FY 2021-2022 Budget. The Adopted Budget anticipated a transfer-in of $2,425,000 from the City's OPEB Trust, a transfer-in from the Federal ARPA (American Rescue Plan Act) Funds in the amount of $1,563,235, and a transfer-in from the Traffic Safety Fund of $25,000. The ARPA allocation to the City was revised by the Federal government after the adoption of the FY 2021-2022 Budget from $1,563,235 to $1,986,733. Due to the increased ARPA allocation and the overall increase in General Fund revenues, the revised recommended transfer-in from the OPEB Trust is now $0 compared to the recommendation of $2.4 million in the original adopted budget. Other Revenues are projected to fall by $496,268, primarily due to lower Development Fees and lower Property Transfer Tax.

Transient Occupancy Tax is projected to increase by $2,055,000. This increase is a positive step towards a hopeful trend of eventually returning to Pre-COVID TOT revenue. The Adopted Budget assumed monthly average TOT revenue of $702,000. The current trend is about $873,000 per month. While this is welcomed news, the TOT revenues are still lower than the pre-COVID monthly average of about $1,250,000.

The following provides more details associated with the General Fund's 15 revenue categories.

1. Sales & Use Tax
   The revised year-end revenue estimate was increased by $215,206 (1.8%). This is primarily due to higher fuels prices.

2. Business License Tax
   Revenues are estimated to be down by $370,000 (-3.1%) due to some businesses that are no longer operating in the City in 2022, lower head count by a few of the businesses, and a slight increase in the number of businesses claiming the sales tax credit. This revenue source reflects the number of jobs in place at the beginning of the fiscal year. As a result, the actual Business License Tax is a "lagging indicator" and staff will continue to track its activity over the next couple years.

3. Property Tax
   The revised year-end revenue estimate was decreased by $590,000 (-5.7%), due to successful Proposition 8 assessment appeals from tax years 2016 through 2018. These Prop. 8 appeals have been pending in the Los Angeles County Assessors Office under review for over two years and are primarily related to corporate, not residential, appeals.

4. Transient Occupancy Tax
   The revised year-end revenue estimate is up by $2,055,000 (24.4%). This revenue source is driven by two factors: hotel occupancy rates and room charges. Immediately after COVID-19 hit, the occupancy rates at the City's 15 hotels fell from an average of 90% to below 50%. Occupancy rates in some hotels slid to below 10% during March and April 2020. Hotel occupancy rates are now rising to a level of 75%-79% for most hotels; however, occupancy rates are still well below pre-COVID levels. The current hotel room rates remain slightly lower than pre COVID-19 rates.

5. Chevron Tax Resolution Agreement (TRA)
   The year-end revenue estimate is up by $722,517 (10.9%). The payment is based upon the prior year's actual tax revenue received from Chevron plus a "true-up" payment to be paid once the actual tax revenues have been reconciled. Per the agreement there is an established annual tax ceiling for Chevron that is increased each year by the applicable Consumer Price Index (CPI). The Chevron TRA expires on September 30, 2027.

6. Utility User Tax

   The year-end revenue estimate is up $500,000 (7.9%) primarily due to increased commodity prices in electricity and gas rates.

7. Charges for Services
   The year-end revenue estimate is down by $202,988 (-4.3%) primarily due to a

decrease of programming at the Aquatics Center.

8. Transfers-in
The year-end revenue estimate is reduced by $2,001,502 (-49.9%). The transfers-in include the American Rescue Plan Act (ARPA) revenue of $1,986,733 and a transfer-in from the Traffic Safety Fund of $25,000. The ARPA allocation of federal relief funds is used to cover unreimbursed COVID-19 expenditures or General Fund revenue losses due to COVID-19. Since the hotel industry in El Segundo has experienced significant decreases in occupancy rates and reduced nightly room rates, the American Rescue Plan Act funds will be used to offset the City's TOT revenue losses. The $2.4 million transfer-in from the City's OPEB section 115 Trust is no longer required.

9. Franchise Tax
The year-end revenue estimate is unchanged. An Annual payment from Southern California Edison (SCE) and Southern California Gas Company attribute to this revenue.

10. Other Revenue
The year-end revenue estimate is down by $496,268 (-21.9%) primarily due to a decrease in Property Transfer Tax revenues because of fewer commercial properties being sold (change of ownership) as well as a reduction in the billing for reimbursement of staff time used by third party entities (fully burdened rate used). For example, Arclight Theaters stopped using City police services during COVID-19 restrictions. This resulted in a decrease in off-setting revenues from this private business.

11. Intergovernmental Revenue
The year-end revenue estimate is unchanged.

12. Licenses and Permits
The year-end revenue estimate is up by $225,000 (12.3%) due to an increase in building permits. This reflects an increase in local development activity.

13. Interest Earnings & Rental Income
The year-end revenue estimate is up by $250,000 (34.4%) due to an increase in investment earnings resulting from higher than anticipated interest rates and a higher investment portfolio balance.

14. Fines & Forfeitures
The year-end revenue estimate is up by $97,500 (33.2%) due to an increase in Parking Fines.

15. FEMA: COVID-19 Reimbursement
The Federal Emergency Management Agency (FEMA) is expected to reimburse the City $125,535 for expenditures incurred in FY 2021-2022 due to COVID-19. Since

the federal government still has an active emergency declaration for this pandemic, the remaining costs incurred by the City for COVID-19 related operations will continue through March 31, 2022. The original FEMA orders were to reimburse cities 75% of eligible COVID expenditures. This was changed to 100% by the Biden Administration in March 2021.

FY 2021-2022 General Fund Expenditures

The Adopted FY 2021-2022 General Fund Budget was $77,651,553. The revised year-end estimate is $78,954,278. This reflects a $1,302,725 (1.7%) increase from the adopted budget. The following table reflects the revised expenditures by department:

General Fund Appropriations					
No.	Department	FY 2021-2022 Adopted Budget	FY 2021-2022 Year-end Estimate	$ Variance	% Variance
1	Police	$ 19,436,175	$ 19,436,175	$0	0%
2	Fire	13,782,667	13,782,667	0	0%
3	Transfers Out (POBs, transfer to Economic Uncertainty Fund, CIP, & Solid Waste)	10,538,908	10,958,908	420,000	4.0%
4	Public Works	8,695,404	9,027,404	332,000	3.8%
5	Non-Departmental	5,904,993	6,204,993	300,000	5.1%
6	Community Services	5,878,231	5,648,231	(230,000)	-3.9%
7	Developmental Service	3,098,785	3,098,785	0	0%
8	Information Technology	3,023,930	3,023,930	0	0%
9	City Manager	2,453,282	2,453,282	0	0%
10	Finance	2,412,820	2,412,820	0	0%
11	Human Resources	977,063	1,193,063	216,000	22.1%
12	City Attorney	561,950	561,950	0	0%
13	City Clerk	530,749	530,749	0	0%
14	City Council	356,596	356,596	0	0%
15	COVID-19 Response	0	264,725	264,725	N/A
	Total	**$77,651,553**	**$78,954,278**	**$1,302,725**	**1.7%**

FY 2021-2022 General Fund Expenditure Analysis

Most departments are expected to stay within their initial adopted budgets. As a reminder, 100% of the COVID-19 related expenditures will be reimbursed by FEMA. Most of the departments are expected to end the fiscal year at or near their adopted budgets.

The following discussion provides more details with respect to the five departments that are anticipated to experience increased year-end expenditures, as well as the one department that is anticipated to have a reduction:

- Transfers-Out

An increase of $420,000 is due to the 25% subsidy for residential solid waste. This amount represents two years of General Fund subsidies that were not included with the budget.

- Public Works
  The revised year-end expenditure estimate is increasing by $ 332,000 (3.8%) is due to the following: $100,000 for plan check consultants; $100,000 for the increase cost to purchase gasoline; $67,000 for increase costs associated with mechanical repairs and maintenance of City vehicles; $50,000 for Park maintenance and repairs; and $15,000 for dump truck rental due to the City's dump truck being out of commission

- Non-departmental
  The revised year-end expenditure estimate is increasing by $300,000 (5.1%) due to an increased number of employees retiring and the associated payouts of accrued leave balances.

- Community Services
  The revised year-end expenditure estimate is decreasing by $230,000 (-3.9%) due to vacancies and operational savings from the Aquatics Center.

- Human Resources
  The revised year-end expenditure estimate is up by $216,000 (22.1%) due to costs associated with an increase in personnel investigations, personnel claims, and recruitment costs.

- COVID-19 Response

  This is a new year-end expenditure estimate of $264,725 that is specifically associated with the City's COVID-19 response and not included in each department's budget. These costs will be tracked separately to claim reimbursement from FEMA for COVID related activities. This activity was not budgeted. However, the City has filed several claims with FEMA with the expectation of being reimbursed up to 100% from the federal government. The Biden Administration has changed the 75% reimbursement ratio to 100% reimburse retroactive to the beginning of the pandemic.

As is the case with most California cities, El Segundo has historically budgeted to fill 100% of all budgeted positions. Cities are seldom fully staffed at 100%. For example, the City currently has about 30 vacant General Fund positions. This represents about 11% of the 278 full-time budgeted General Fund positions (excluding elected officials). After careful analysis and discussion with City Council during the FY 2021-2022 Strategic Plan Study Session, the Adopted FY 2021-2022 Budget included freezing 12 full-time vacant positions for the full year, a part-time benefited position for a full year, and 11 vacant full-time positions for a partial year, as listed below:

Frozen Full-Time Positions (for the full year):

Department	Position	Number	Months
Police	Lieutenant	1.0	12
Police	Sergeant	1.0	12
Police	Police Officer	2.0	12
Fire	Firefighter/Paramedic	1.0	12
Fire	Fire Marshall	1.0	12
Finance	Deputy City Treasurer II	1.0	12
I.T.	Administrative Specialist	1.0	12
Public Works	Equipment Maint. Supervisor	1.0	12
Public Works	Park Maintenance Worker II	1.0	12
Public Works	Senior Civil Engineer	1.0	12
Public Works	Custodian (budgeted at .5 FTE)	0.5	12
Community Serv	Executive Assistant	1.0	12
Total		**12.5**	

Frozen Full-Time Positions (for a few months):

Department	Position	Number	Months
Develop. Services	Director of Dev. Services	1.0	2
Develop. Services	Planning Manager	1.0	3
Finance	Management Analyst	1.0	2
Fire	Fire Prevention Specialist	1.0	6
HR	H.R. Manager	1.0	2
I.T.	Sr. Network Assistant	1.0	3
Police	PSO	2.0	3
Public Works	Administrative Tech Specialist	1.0	6
Public Works	PW Inspector	1.0	6
Community Serv	Sr. Admin. Specialist	1.0	2
Total		**11.0**	

These frozen positions will result in budgetary savings of approximately $2 million. It is anticipated that after the economy is fully open again, with limited restrictions remaining, and as revenues improve, the City will be able to slowly unfreeze and fund some of these positions.

As part of the comprehensive long-term Strategic Financial Plan, each department will develop long-term staffing plans and reassess their organizational structure to provide essential services in the most cost-effective manner. Each department will be required to take a closer look at future year staffing levels. Balancing the budget by freezing positions should be viewed as a temporary measure and not a long-term measure.

Estimated Fund Balance for General Fund

With the Adopted FY 2021-22 Budget, staff advised City Council that the projected ending General Fund unassigned fund balance for June 30, 2021 was $18,229,563 based on the unaudited financials for FY 2020-2021. The audit for FY 2020-2021 was completed on March 3, 2022. The audited financials resulted in a revised ending fund balance for June 30, 2021 in the amount of $27,898,675. The increase in unassigned fund balance is due to the following factors: a change in the City's fiscal year measurement period, fiscal year 2020-2021 only being a 9-month fiscal year, and the issuance of Pension Obligation Bonds (POBs) in May 2021. These factors created a one-time accounting adjustment that reduced the previously categorized "nonspendable" reserves from $7.1 million in the FY 2019-2020 Annual Comprehensive Financial Report to $0.1 million with the FY 2020-2021 Annual Comprehensive Financial Report. This is a "one-time" accounting adjustment that is in done in accordance with accounting principles accepted in the U.S., adherence with principles governed by the Governmental Accounting Standards Board (GASB), and audited by the City's external audit firm Clifton Larson Allen LLP (CLA).

As a reminder, "fund balance" is defined as the difference between assets and liabilities and may be categorized into nonspendable, restricted, assigned, and unassigned. City Council policy is to set the General Fund reserve level at 20% of appropriations for FY 2021-2022 and to gradually increase the reserve to 25% over time.

The table on the following page represents the General Fund's revised estimated year-end unassigned fund balance and reserves for FY 2021-2022. The unassigned fund balance is the amount of financial resources immediately available for use and may be used at the discretion of City Council.

Revised General Fund "Fund Balance" for Fiscal Year 2021-2022

The following represents the General Fund's projected year-end "fund balance" and reserves for FY 2021-2022:

Description	July 1, 2021 (estimated)	Revised Year-end Estimate (based on FY 2020-21 ACFR)
Beginning Unassigned Fund Balance on July 1, 2021	$18,229,563	$27,898,675
FY 2021-22 Revenues	74,802,700	75,332,700
FY 2021-22 Expenditures One-time expenditures:	(77,651,553)	(78,954,278)
Estimated Ending Unassigned Fund Balance (June 30, 2022)	15,380,710	24,277,097
20% Reserve Requirement	15,365,569	15,790,856
Unassigned Reserves	**$15,141**	**$8,486,241**
25% Reserve Requirement		$19,738,570

General Fund Reserves

Maintaining a reserve of at least 20% is considered a "Best Management Practice" (BMP) by municipal financial advisory firms and bond rating agencies, especially given the

COVID-19 pandemic (and not to mention the rise in natural disasters over the years, including fires, floods, and earthquakes). In addition, the possibility of another economic recession during the COVID-19 recovery, continues to raise its head. Further, the City has significant financial exposure associated with its aging and deteriorating public infrastructure which will require unexpected future infusions of cash. Moreover, the reduction in reserve balances also equates to a reduction in interest earnings revenue for the General Fund. The policy reserve level for FY 2021-2022 at 20% of expenditures is $15,790,856. If the reserve were set at 25% the amount would be $19,738,570. The estimated FY 2021-2022 year-end General Fund unassigned fund balance is $24,277,097, which represents a reserve balance of 31%. The policy discussion on what reserve level is appropriate for FY 2022-2023 and the use of any additional unassigned reserves will take place with the development and adoption of the FY 2022-2023 Budget.

It is also recommended that the City maintain an Economic Uncertainty Reserve balance of $2.0 million. However, the current reserve balance is $1.9 million. During FY 2020-2021 $923,708 was utilized from this reserve to fund the CIP Budget. The Adopted FY 2021-2022 Budget replenished $823,708 to the Economic Uncertainty Fund. Going forward, the goal will be to bring this reserve balance back to the City Council policy goal of $2 million.

The City also maintains a Section 115 Pension Trust balance of approximately $5.1 million. As part of the adopted FY 2021-2022 budget process, staff recommended to City Council to revisit the City's reserve policies, including adjusting the General Fund reserve amount to over 20%. City Council approved a 20% General Fund reserve for FY 2021-2022 with the goal to increase the reserve to 25% over the next several fiscal years. If the City learned anything from the COVID-19 pandemic, it is the value and importance of maintaining healthy "rainy day" reserves.

Special Revenue Funds

The Adopted FY 2021-2022 Budget for all Special Revenue Funds is $13.8 million, including $5.9 million for capital improvements such as street repairs, sidewalk repairs, Park Place Transportation Project, etc. These funds are dedicated for specific purposes governed by specific laws and regulations. For example, the Gas Tax Fund can be spent only on street-related expenditures. Prop A and Prop C Funds can only be spent on transportation projects. Asset Forfeiture and COPS Funds can be spent only on public safety related activities – as a supplement and not to supplant current appropriations. Federal, State, or County grants can only be spent for the specific grant purpose that it is awarded. Some Special Revenue fund balances are projected to "decrease" as the City appropriated funds for specific purposes that they were intended to be used.

General Fund Capital Improvement Program (CIP) Fund

The adopted FY 2021-2022 General Fund CIP Fund Budget totals $5,055,900 and only provides funding for General Fund projects. Of this amount, $4,830,400 represents "carryover" unspent funds from prior fiscal years and the remaining $225,500 represents

funding for new projects. There are a total of 14 General Fund CIP projects that are either active during the fiscal year or will continue to accumulate funding for future activation (such as The Plunge Rehabilitation Project).

Capital improvement projects that are paid for via other funds are located within each of the respected fund budgets.

Ideally, a local government will dedicate at least 2% to 5% of its total budget each year to the community's public infrastructure, including public facilities. As the City ages and its infrastructure continues to deteriorate, the City will need to rely heavily on long-term financial planning to better prepare, and re-invest, in this essential aspect of the budget. The longer the City procrastinates and delays properly managing its existing facilities, infrastructure, and assets, it will end up costing both current and subsequent generations significantly more to rebuild and pay for rising future legal claims and settlements. In addition, this poor business practice continues to result in rising recurring operating costs (such as more expensive utilities and security measures) due to relying on inefficient and environmentally antiquated energy systems and safety risks.

Enterprise Funds

The Adopted FY 2021-2022 Budget includes funding for the following four Enterprise Funds:

Water Fund

The Adopted FY 2021-2022 Water Fund Budget is $31.3 million, including $3.1 million in new capital and $.26 million in carryover from previous fiscal years for capital improvement projects related to water main replacement, water infrastructure replacement, and Citywide meter replacements. The revised year-end expense is $30.1 million due to $1.2 million in capital projects that will be deferred to FY 2022-2023. The Water Division operates, maintains, and repairs the City's water distribution system consisting of approximately 65 miles of pipeline, a six-million-gallon reservoir, a three-million-gallon reservoir, and a 200,000-gallon elevated water tank.

The largest budget line-item is the cost of purchasing water ($23.5 million) and this is projected to steadily increase at an annual rate of 5% for the foreseeable future. There is no local source of potable water in the City, therefore, 100% of potable water is purchased from a water wholesaler, West Basin Municipal Water District. The Water Fund is structurally balanced for FY 2021-2022 with the cost of capital, maintenance improvements, and all on-going operations costs paid for with on-going revenue. Future years will need to account for increased potable water costs and increased capital maintenance costs.

The Water Fund receives revenue primarily from metered water sales and base charges. FY 2021-22 Water Fund revenues are estimated at $35.7 million. Since the water utility must be self-sufficient, the City remains committed to maintaining critical infrastructure and complying with all applicable laws, rules and regulations to deliver safe, dependable

and efficient recycled water and water services to all customers. The City strives to maintain affordable water rates while ensuring the long-term integrity of the water distribution system. On March 2, 2021, City Council adopted a five-year water rate plan with the following annual rate adjustments: 0% rate increase on April 2, 2021, 3% on January 1, 2022, 3% on January 1, 2023, 3% one January 1, 2024 and 3% on January 1,2025. These adjustments are expected to cover the rising cost of purchasing potable and recycled water from West Basin Municipal Water District and inflationary expenses associated with the City's distribution system (maintenance and operating costs).

Wastewater Fund

The Adopted FY 2021-2022 Wastewater Fund Budget is $6.5 million, including $1.4 million for capital improvement projects which include pump station, lifts, and sewer main repairs. The revised year-end expense is $5.9 million due to $650,000 in capital projects that will be deferred to FY 2022-2023. While the Hyperion and Regional Sanitation District treatment plants are operated by the City of Los Angeles (Hyperion) and Los Angeles County (Los Angeles County Regional Sanitation District), the City of El Segundo operates and maintains the wastewater collection system which consists of nine stations, 18 pumps, and approximately 57 miles of sewer mains. The lift stations run in automatic mode 24 hours per day to convey over half-billion gallons of sewage per year to the Hyperion and Regional Sanitation District treatment plants. Customers located west of Pacific Coast Highway have their wastewater treated at the Hyperion plant. Customers east of Pacific Coast Highway have their wastewater treated at the Los Angeles County Regional Sanitation District plant.

The Wastewater Fund receives revenue primarily from residential and commercial user and connection fees. FY 2021-22 revenues are estimated at $5.5 million. The year-end revenues are anticipated to be $5.5 million. The Wastewater Fund has been running an operational deficit for several years which has been covered by using retained earnings (available fund balance). This is not a good business practice and does not comply with the industry's Best Management Practices.

Since the wastewater utility must be self-sufficient, the City remains committed to maintaining critical infrastructure and complying with all applicable laws, rules and regulations to deliver safe, dependable and efficient wastewater services. The City strives to maintain affordable wastewater rates while ensuring the long-term integrity of the wastewater collection system. As a result, on March 2, 2021, City Council adopted a five-year wastewater rate plan with the following annual rate adjustments: 9% rate on April 2, 2021, 9% on January 1, 2022, 9.5% on January 1, 2023, 9.5% on January 1, 2024, and 9.5% on January 1, 2025. These adjustments are expected to cover the rising cost of El Segundo's contractual costs associated with Hyperion's treatment plant (including much needed deferred maintenance and capital improvement projects) along with the inflationary expenses associated with the City's collection system (maintenance and operating costs).

Golf Fund

The existing Golf Fund continues to carry a significant negative net position, also referred to as negative retained earnings, due to the outstanding loan balance of approximately $5.6 million that is due to the Equipment Replacement Fund from the Golf Fund. With Topgolf opening operations of the new driving range and municipal golf course in April 2022, the Golf Fund should finally be able to begin systematically paying down its loan to the Equipment Replacement Fund. This will reverse the past several years of recurring Golf Fund operating losses and General Fund subsides. Based on the approved Management Agreement, the Topgolf project is projected to generate over $1,900,000 in new recurring General Fund and Golf Fund revenues/investment starting in FY 2022-2023, including the following:

- Annual $1,300,000 driving range ground lease payment (with a 10% adjustment every five years);
- Annual $200,000 Community Benefit Contribution (with an up to 10% adjustment every five years);
- Annual $200,000 Golf Course and Driving Range Capital Contribution;
- Recurring 3% beverage fee payment at driving range and golf course (with a minimum guarantee of $200,000 from the driving range); and
- Annual $20,000 golf course ground lease payment (with a 10% adjustment every five years).

As directed by City Council on April 20, 2021, the following Topgolf Revenue Allocation Policy will go into effect starting with FY 2022-2023:

Ground Lease Revenue:

- 60%-70% of revenue generated from driving range ground lease (estimated to start at $1,300,000 per year) will be dedicated to funding City's pension related liabilities. This would result in a starting annual pension contribution of $780,000 to $910,000.
- 30%-40% of revenue generated from driving range ground lease (estimated to start at $1,300,000 per year) will be dedicated to repaying Equipment Replacement Fund. This would result in a starting annual loan repayment of $390,000 to $520,000 until the loan is paid off.

- Once Equipment Replacement Fund loan is paid off, this revenue will be dedicated to City's Capital Improvement Program (public infrastructure) needs

Ground Lease Revenue:

- Annual $200,000 Community Benefit Contribution will be dedicated to Recreation and Park capital improvement projects.

Golf Course and Driving Range Capital Contribution:

- Annual minimum $200,000 Golf Course and Driving Range Capital Contribution to Golf Fund will be made as per Ground Lease and Agreement and Golf Course Management Agreement.

- Annual 3% beverage fee payment from driving range and golf course (with a minimum guarantee of $200,000 from the driving range) will go to General Fund to be used for general use purposes.

- Annual $20,000 golf course ground lease payment (with a 10% adjustment every five years) will go to General Fund for general use purposes.

Solid Waste Fund

The Solid Waste Fund was set up in June 2019 to account for the General Fund's subsidy of residential refuse collection services provided by the private hauler EDCO. The Adopted FY 2021-2022 Solid Waste Fund Budget is $270,000 and reflects a recurring General Fund 25% subsidy of residential rates. The General Fund will not be able to maintain this subsidy and a plan will be developed to transition to a refuse collection model in which those that consume the service pay for their full share of the cost.

OPEB and Pension Obligations

Retiree Medical Insurance

The City provides retiree medical insurance to vested employees who retire from the City. This benefit is part of what is referred to as Other Post-Employment Benefits (or "OPEB"). In general, the vesting requirement for retiree medical insurance is employment with the City for five years. In order to set funds aside for this benefit, the City opened a Section 115 Trust Fund account with CalPERS in 2008. The City initially funded the OPEB Trust in the amount of $2.4 million. The balance has grown to $32.5 million. This reflects a combination of $17.7 million in contributions, $1 million in withdrawals, and $13.8 million in investment earnings.

The total OPEB liability for the City is $55.9 million. With $32.5 million pre-funded in the OPEB Trust, the OPEB unfunded liability is $23.4 million. This equates to a funded status

of 58%. About 75% of municipalities in the State of California that offer retiree medical insurance benefits have a funded ratio of 25% or less. The City of El Segundo is well positioned to be fully funded for its OPEB liability by 2031, if not sooner.

As of the latest actuary report (dated October 2020), the City no longer needs to make additional contributions into the OPEB Trust. The investment earnings over the next ten years are expected to move the OPEB Trust to a 100% funded status within a decade. The annual contribution to the OPEB Trust had been $548,000 for several years. These are General Fund dollars that can be used to balance the budget or earmarked for other City Council strategic goal purposes. Once the OPEB Trust is 100% funded, the City will begin to pull money out of the OPEB Trust to assist in making the monthly medical retiree insurance premium payments.

As with pension obligations, the City now has control over its OPEB costs. After years of stress and uncertainty, the City now has more clarity and predictability in managing its retiree medical insurance obligations.

Retiree Pensions

On May 18, 2021, City Council formally approved issuing the POBs at 95% of the current UAL with CalPERS. Standard & Poor's credit rating agency (S&P) rated the City at AA+. This is an excellent credit rating and one notch below the highest rating of AAA. Once in the marketplace, the POBs were 4.5x over subscribed which helped to lower the POB interest rate to 2.568%. This was the second lowest rate of any POBs issued in the State of California over the last two years, including POBs with a AAA rating. This exceptional interest rate resulted in savings to the City of approximately $82.2 million over the next 19 years.

Through the issuance of pension obligation bonds to prepay the existing UAL, along with a series of other forward-thinking actions taken by City Council over the past few years (including: Reduced "Fresh Start" Amortization Period; Past additional discretionary UAL payments; Prepaid UAL payments; Creation of a Pension Trust Fund; Requiring "Classic " employees to pay their full "employee share", Adoption of formal UAL Policies; and, the Topgolf Revenue Allocation Policy), the City is well-positioned to meet its present and future pension obligations over the next 19 years.

The annual $9.8 million payment on the POBs represents a much lower recurring pension cost to the City than what would have been the case without the POBs. The City now has control over its pension costs through July 1, 2040. After 2040, the City's recurring pension costs should drop significantly. After years of stress and uncertainty, the City now has more clarity and predictability in managing its pension obligations.

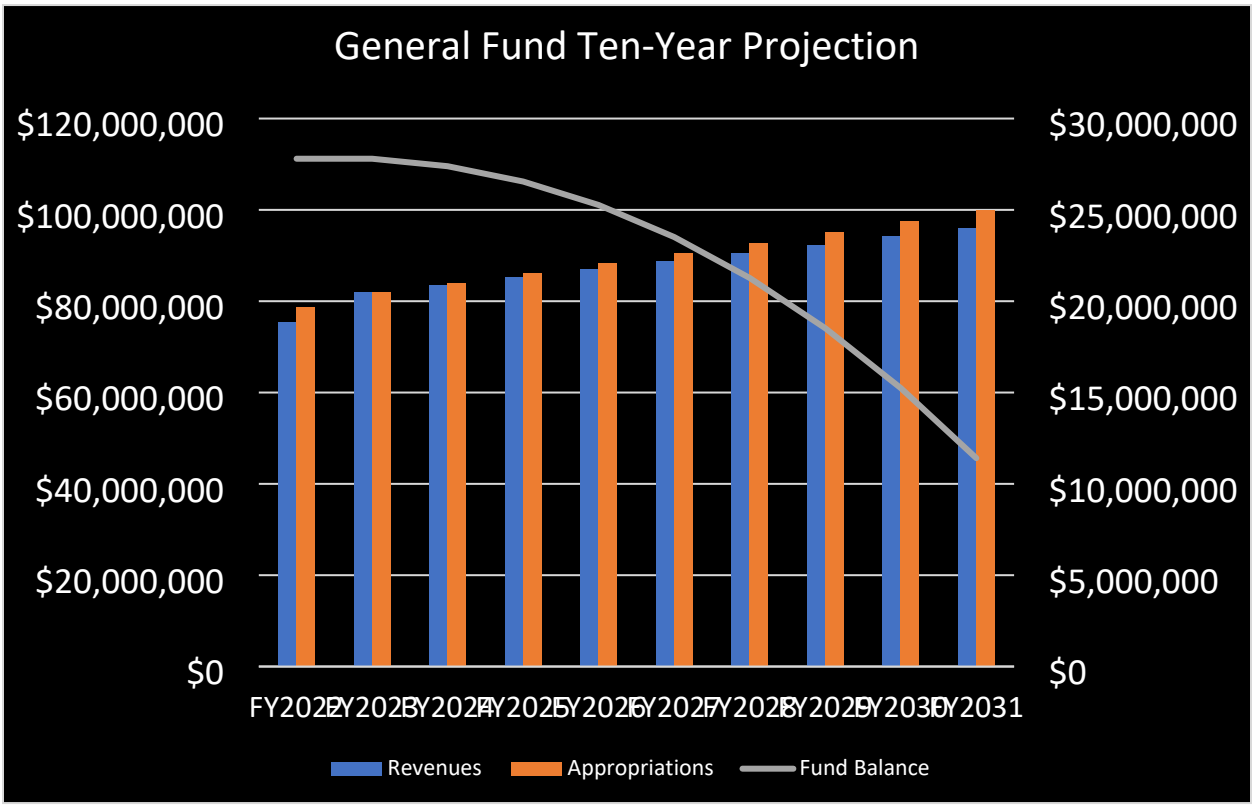
Future Challenges

While the City was able to achieve a balanced budget for the FY 2021-2022 cycle without resorting to the budget balancing actions deployed by several other South Bay and West

Los Angeles area cities (such as layoff, salary/benefit takeaways, across the board budget cuts, significant service reductions to the public, etc.), financial challenges remain as the cost of providing services rise and the effects of COVID-19 continue to impact business travel which is a staple for the El Segundo economy. The City will continue to focus its efforts on keeping our residents and businesses in a safe environment. While the City will have achieved level and stable recurring retirement costs going forward, the City will have to wrestle with rising medical insurance premiums. As the economy moves forward, there will be continued financial pressure to reduce City service levels and staffing.

The projected FY 2021-2022 year-end reflects a General Fund that continues to subsidize other funds, such as the Solid Waste Fund and the CIP Fund. With greater General Fund resources being used to support other funds, this will place a further strain on the General Fund's ability to provide traditional local government services, including public safety (Police and Fire). Looking forward, the Solid Waste Fund is projected to draw down additional General Fund reserves and fund balances beyond FY 2021-2022. This is not a good business practice and, as a result, staff will develop both short-term and long-term strategies to more effectively address these challenges to ensure the City remains financially stable over the long-haul.

As a result of such pressures, staff remains cautious in projecting City revenues, while at the same time working hard to limit future expenditures. The following graph contains projected General Fund revenues and expenditures over the next ten years, along with the theoretical impact on annual fund balance, starting with FY 2021-2022:



While the Proposed FY 2022-2023 Citywide Budget is still being developed, it is a preliminary projection that there will be a balanced budget with using a vacancy factor of 5%. This 10-year forecast assumes no additional contributions to CIP from the General Fund and no salary or benefit adjustments for employees except those that have been bargained for and agreed upon by labor and City Council. The proposed FY 2022-2023 Budget will be presented to City Council at the upcoming May 3rd FY 2022-2023 Citywide Budget Study Session.

Future Opportunities

Despite numerous challenges facing the City, there are also incredible opportunities in our diverse and resilient local economy. For example, an estimated valuation of $1 billion in new construction is taking place within El Segundo. There are several exciting new large-scale developments in the works that are scheduled to come on-line in late FY 2021-2022 or early FY 2022-2023. Four examples include: 1) The new world headquarters for Beyond Meat which will house 1,000 employees at 888 North Douglas; 2) The new Topgolf $40 million nine-hole golf course and driving range renovation development at The Lakes at El Segundo on Pacific Coast Highway; 3) The new world headquarters for Belkin International, Inc. at 555 Aviation Blvd. which will house up to 325 employees; and 4) the Los Angeles Chargers headquarters and training facilities. These types of major investments reflect the private sector's optimistic view of the local economy and how such companies continue to look beyond COVID-19.

On balance, the glass is more half full than half empty. A lot will depend on the strength of the local and regional economic recovery, inflation concerns, global political stability that could have negative impacts on U.S. markets and our economy, and opportunities to "right-size" City operations as well as strengthen City revenues.

Biennial Budget Format

Along with the future use of a Long-Term Financial Strategic Plan, staff continues to study converting from an "Annual Budget" format to a two-year "Biennial Budget" format potentially starting with FY 2023-2024 & FY 2024-2025 fiscal years cycle. The more progressive California cities have converted to this format to reduce internal costs and inefficiencies associated with preparing an annual budget. In addition to saving money associated with the budget preparation costs, this format forces cities to look further down the road and beyond just the next 12 months. Biennial budgeting has proven to be an effective forward-thinking financial planning tool in other cities and has become a notable Best Management Practice.

Summary

The revised year-end revenue estimates and expenditure projections represent a clear picture as to where the City's finances will be by June 30, 2022. At this time, staff is seeking City Council authorization to amend the FY 2021-2022 Budget for the General

Fund, the Golf Fund, and General Liability Fund to reflect revised year-end revenue estimates and projected year-end expenditures. This request is reflected at the beginning of this staff report, as well as in attachment A.

With the upcoming Proposed FY 2022-2023 Citywide Budget, staff will recommend restoring the Economic Uncertainty Reserve Fund to the full $2 million amount via the use of unallocated General Fund reserves.

With a united front among City Council, management, and our hard-working employees, the City will continue to maintain financial stability, continue to provide excellent customer service to all constituents, and limit impacts on core municipal services provided to residents, businesses, and visitors seven days a week, 24 hours per day. Moving forward, the paradigm shift to focus more on long-term financial planning will continue to play an essential role in managing the organization's future.

NEXT STEPS:

FY 2021-2022 Budget

- End of Fiscal Year (June 30, 2022)
- FY 2021-2022 Year-end Audit (June 2022 – November 2022)
- FY 2021-2022 ACFR Presentation to City Council (December 2022)

FY 2022-2023 Budget

- Strategic Planning Study Session (April 12, 2022)
- Proposed FY 2022-2023 Budget Study Session (May 3, 2022)
- There will be an opportunity to conduct a 2nd Budget Study Session if necessary
- FY 2022-2023 Budget Public Hearing and Adoption (June 7, 2022)
- Beginning of FY 2022-2023 (July 1, 2022)

Exhibit A: **Fiscal Year 2021-2022 Mid-Year Budget Adjustments**

Item #	Description	Fiscal Impact: General Fund	Fiscal Impact: Other Funds	Account
General Fund Revenues				
1	Sales Tax	$215,206		001-300-0000-3201
2	Business License Tax	(370,000)		001-300-0000-3301
3	Property Tax	(590,000)		001-300-0000-3101
4	Transient Occupancy Tax (T.O.T.)	2,055,000		001-300-0000-3203
5	Chevron Tax Resolution Agreement (TRA)	722,517		001-300-0000-3218
6	Utility User Tax (UUT)	500,000		001-300-0000-3212
7	Charges for Services	(202,988)		001-300-0000-38xx (various)
8	Transfers-In	(2,001,502)		001-300-0000-9401
9	Developer Contribution Reimbursement	(450,000)		001-300-0000-3972
10	Real Property Transfer Tax	(46,268)		001-300-0000-3204
11	License & Permits	225,000		001-300-0000-34xx (various)
12	Interest	250,000		001-300-0000-3601
13	Fines & Forfeitures	97,500		001-300-0000-35xx (various)
	Increase in General Fund Revenues	**$404,465**		
Other Funds Revenues				
14 (a)	Transfer in from General Fund to Solid Waste Fund		$420,000	505-300-0000-9301
	Increase in Other Funds Revenues		**$420,000**	
General Fund Expenditures				
14	Transfer Out to Solid Waste Fund (Fund 505)	$420,000		001-400-0000-9505
15	PW Engineering Contractual Services	100,000		001-400-4101-6206
16	PW Fleet Gasoline	100,000		001-400-4601-5215
17	PW Fleet Vehicle Operating Charges	67,000		001-400-4601-6224
18	PW Park Maintenance & Repair	50,000		001-400-4203-6215
19	PW Street Services - Equipment Leasing	15,000		001-400-4202-6260
20	Nondepartmental - Vacation/Sick Payout	300,000		001-400-2901-4109
21	Human Resources - Professional/Technical Services	216,000		001-400-2505-6214
22	Community Services - Salary & Operational Savings	(180,000)		001-400-5202-4102
22	Community Services - Salary & Operational Savings	(50,000)		001-400-5202-4201
	Increase in General Fund Expenditures	**1,038,000**		
Other Funds Expenditures				
23	General Liability Fund - Claims		100,000	602-400-0000-6246
24	Golf Fund - Professional/Technical Services		22,000	503-400-5301-62154
	Increase in Other Funds Expenditures		**122,000**	

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Staff Presentations
Item Number: D.20

TITLE:

Agreement with United Pickleball Management, LLC to Conduct a Pickleball Tournament on City Facilities.

RECOMMENDATION:

1. Authorize the City Manager to execute an agreement approved by the City Attorney with the Association of Pickleball Professionals.

FISCAL IMPACT:

Fees collected for rental of the pickle ball and tennis courts during the same time period in previous years have been approximately $4,500. The value of the sponsorship package and repair and resurfacing of the tennis courts is estimated at $41,000, for a net benefit of approximately $36,500.

BACKGROUND:

Pickleball has become a sport that the City of El Segundo has come to enjoy across all ages and levels. Now, El Segundo will have another reason to be called the city “Where Big Ideas Take Off”. In February 2020, the Recreation and Parks Department engaged in discussions to bring a professional Pickleball tournament to the City of El Segundo. Due to the impact of COVID-19, the idea would have to wait until the pandemic subsided or County regulations were less restrictive. In December of 2021, the Association of Pickleball professionals (APP) submitted a Special Event application to possibly hold the tournament June 23-26, 2022 on behalf of United Pickleball Management, an Indiana limited liability company.

At the March 15, 2022 City Council meeting, staff presented the request of Mr. Ken Hermann, CEO of the United Pickleball Management for the Pickleball Tournament and sought direction from the City Council. Staff shared with the City Council what the non-resident rate would be to reserve those spaces for the entire tournament period for 13 hours a day, even though the actual revenue historically collected for use of those spaces during the same timeframe is approximately $4,500. The applicant requested

the City Council consider a potential fee waiver for this event. After the presentation, Council received the presentation and provided direction regarding the proposal. Since action to waive fees was not on the agenda for this presentation item, subsequent Council action became necessary for any waiver.

In addition, APP stated that this tournament will have 650 tournament participants, bringing an influx of visitors who would stay at City of El Segundo hotels as well as frequent the city's businesses and restaurants over this 4-day event. City Council agreed that these economic benefits outweighed the estimated actual revenue of $4,500 the city may have received over this 4-day period.

DISCUSSION:

In light of the City Council's March 15, 2022 direction, staff has prepared the attached agreement to facilitate the conduct of the tournament without compliance with the general protocols required in El Segundo Municipal Code Chapter 9-8. ESMC § 9-8-2 allows the City to approve events utilizing City recreational facilities, as proposed by the tournament, pursuant to an agreement between a private party and the City.

Staff met with APP to iron out the deal points and formalize an Agreement between the City and APP and create a plan for successfully implementing the tournament and further defining the benefits to the City.

In these discussions, staff were informed by APP that they no longer needed to use the basketball court and instead elected to use tennis courts #2 & #3 as it would be more beneficial for the tournament. In addition, it was agreed that APP would be responsible for providing an Event Plan and required insurance to the City with the expectation that APP would operate and oversee the event in accordance with the Event Plan. APP would also be responsible for the resurfacing and striping of Courts #2 & #3 and would return them to their original striping configuration after the tournament has concluded. This resurfacing benefits the city as those courts will receive crack repair and resealing and, at the end of the tournament, be freshly re-striped as tennis courts. APP will also provide $10,000 to set up a "Court Restoration Fund." In the event the courts are not restored by July 1st, 2022, the City may use the Court Restoration Fund to complete the work and restore the courts #2 and #3 back to their original specifications. The City will return any unused portion of the Court Restoration Fund. Lastly, it is the responsibility of APP to ensure prevailing wages are included when contracting with their selected company for the court work.

Overall, the benefits to the City of El Segundo for allowing this Pickleball Tournament to take place on June 23-26, 2022 are as follows (See Exhibit C) :

- The City of El Segundo will be a key sponsor for this event, the promotion/media value provided to the City on the APP National streaming services equates to $31,000.

- The repair and resurfacing of Tennis Courts #3 & #4 is estimated to be a benefit to the city at a value of $10,000.
- The value of the sponsorship package and repair and resurfacing the tennis courts is estimated at $41,000 (this does not include the economic impact of the event).

In accordance with ESMC § 9-8-2, staff and the proponent were able to establish specific expectations, so staff were able to prepare to formalize an agreement with APP for this pickleball tournament. Staff are requesting the City Council approve this Agreement between the City and APP allowing the Pickleball Tournament to take place at Recreation Park from June 23 – 26, 2022.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1A: El Segundo provides unparalleled service to internal and external customers.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:
Arecia Hester, Recreation Superintendent
REVIEWED BY:
John Jones, Interim Community Services Director
APPROVED BY:

ATTACHED SUPPORTING DOCUMENTS:

1. ES - Pickleball Tournament Agreement AAP 2022 final
2. EXHIBIT A
3. Event Plan Minimum Requirements (Exhibit B)
4. APP SPONSORSHIP PACKET (Exhibit C)

FACILITY USE AGREEMENT
INTERNSHIP BETWEEN
THE CITY OF EL SEGUNDO AND
UNITED PICKLEBALL MANAGEMENT, LLC
AN INDIANA LIMITED LIABILITY COMPANY

THIS FACILITY USE AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 2022, by and between the City of El Segundo, a general law city and municipal corporation ("City"), and United Pickleball Management, LLC, an Indiana limited liability company ("APP"). The term "Parties" shall refer both to City and APP. The term "Party" will refer to either City or APP, as appliable.

1. RECITALS. This Agreement is made with reference to the following facts and objectives:

A. El Segundo Municipal Code ("ESMC") Chapter 9-8 provides permitting protocols for certain events conducting in City parks or recreational facilities.

B. ESMC Chapter 9-8 excludes from its requirements any activity conducted in or on a City park or recreational facility conducted by a private organization or individual pursuant to an agreement between the City and such private organization or individual, pursuant to ESMC § 9-8-2.

C. APP proposes to conduct a pickleball tournament event on City recreational facilities between June 23 through June 26, 2022 (the "Event"). The City facilities proposed as the site for the Event are City tennis court no. 2 and City tennis court no. 3, located at 401 Sheldon Street in the City (where tennis courts nos. 1, 4,5, and 6, pickleball courts nos. 1-4, volleyball courts nos.1-2, and lawn bowling rink are also located) and illustrated in Exhibit "A" this Agreement which is incorporated herein by this reference.

D. The Parties intend for this Agreement to govern the requirements and obligations related to the Event, pursuant to ESMC § 9-8-2.

E. The Parties agree that the fees for the Event payable to the City by APP equal the sum of $38,000 (the "Event Fees"). The Event Fees are comprised of special event application fee, facility reservation fee, estimated staff fees for assistance with monitoring the event.

2. TERM. This Agreement will become effective upon APP's delivery of the Event Plan, proof of insurance required under Section 7, and Court Restoration Fund (as defined below in Section 3) to the City and continue in effect through July 31, 2022 unless otherwise terminated pursuant to Agreement Section 5.

3. AAP'S RESPONSIBILITIES.

A. APP must deliver a detailed plan for the Event (the "Event Plan") to the City on or before May 2, 2022. The Event Plan, at a minimum, must include the information requested in Exhibit "B" to this Agreement.

B. As consideration for the City's waiver of the Event Fees, APP must duly deliver the Event Plan to the City; and coordinate, oversee, and conduct the Event in substantial conformance with the Event Plan, and APP 's substantial conformance will be determined by the City's Director of Recreation and Parks or designee.

C. For clarity, the Parties agree that the Event Plan requires APP to resurface and repaint City tennis courts nos. 2 and 3 to accommodate the Event at APP's sole cost (the "Court Work"). The Court Work includes, without limitation, the repair of existing surface cracks, prime coating, repainting, and restriping of City tennis courts nos. 2 and 3. APP will be responsible for furnishing all labor, personnel, equipment, materials, and all other means whatsoever to effectuate the Court Work in accordance with applicable laws.

D. The Court Work also includes, without limitation, the restoration City tennis courts nos. 2 and 3 to their original tennis court specifications and layout, as depicted in Exhibit "A" to this Agreement.

E. As additional consideration for the City's waiver of the Event Fees, APP must deliver the sum of $10,000 (the "Court Restoration Fund") to the City on or before April 25, 2022 and the City may utilize the Court Restoration Fund to pay for the cost of any City work required to be effectuated to restore the City tennis courts nos. 2 and 3 to their original specifications and layout on or before July 1, 2022.

F. APP must cause the payment of prevailing wages to workers for the Court Work. It is APP's responsibility to interpret and implement any prevailing wage requirements and APP agrees to pay any penalty or civil damages resulting from a violation of prevailing wage laws. In accordance with Labor Code § 1773.2, copies of the prevailing rate of per diem wages are available upon request from CITY's Engineering Division or the website for State of California Prevailing wage determination at http://www.dir.ca.gov/DLSR/PWD.

G. APP will be responsible for Intern's professional activities and conduct while participating in the Internship with the City.

H. APP will provide City with a list of all staff, contractors, employees, volunteers, or other agents requiring access to the City facilities depicted in Exhibit "A" to this Agreement.

I. APP will conform to all applicable City policies, procedures and guidelines, applicable state and federal laws and regulations.

4. CITY'S RESPONSIBILITIES.

   A. Within 5 business days of the City's receipt of APP's delivery of the Event Plan, proof of insurance required under Section 7, and Court Restoration Fund (as defined below in Section 3), the City will issue a permit to APP for the event. The City reserves the right to apply reasonably conditions for the Event through this permit.

   B. City will provide APP, including its contractors, agents, employees, volunteers, and other agents a revocable license to conduct the Court Work and conduct the Event, so long as APP is not in breach of this Agreement.

   C. As consideration for the community benefits outlined in Exhibit "C" to this Agreement and the Court Work, the City will waive the Event permit fees identified above in Section 1 and finds that the value of such community benefits meets or exceeds the value of the Event permit fees and that such community benefits serve a public purpose of promoting community health and wellness.

   D. The City will return any unused portion of the Court Restoration fund to APP on or before October 1, 2022.

   J. City will designate appropriate personnel to assist with the Event, to the extent such needs are specified in Exhibit "A" to this Agreement.

5. TERMINATION.

   A. The City may terminate this Agreement at any time with or without cause. Notice of termination must be in writing.

   B. APP may terminate this Agreement upon providing written notice to City at least 30 days before the effective termination date.

   C. By executing this Agreement, APP waives any and all claims for damages that might otherwise arise from the City's termination under this Section 5.

6. INDEMNIFICATION.

   A. APP indemnifies, will defend (at City's request), and holds City harmless from and against any claim, action, damages, costs (including without limitation, reasonable attorney's fees), injuries, or liability, arising out of this Agreement, or APP's conduct of the Event, including without limitation, those associated with Event participants or spectators.

   B. For purposes of this section, the term "City" includes its officers, officials,

employees, agents, representatives, and certified volunteers.

C. APP expressly agrees that this release, waiver, and indemnity agreement is intended to be as broad and inclusive as is permitted by the law of the state of California and that if any portion is held invalid, it is agreed that the balance will, notwithstanding, continue in full legal force and effect.

D. It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

E. The requirements as to the types and limits of insurance coverage to be maintained by APP as required herein, and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by APP pursuant to this Agreement, including but not limited to the provisions concerning indemnification.

7. INSURANCE.

A. APP commencing performance under this Agreement and at all other times this Agreement is effective, APP will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	$1,000,000
Business automobile liability	$1,000,000
Workers compensation	Statutory requirement

B. Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name the City, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by the City will be excess thereto. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon 30 days prior written notice to the City.

C. Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

D. APP will furnish to the City duly authenticated certificates of insurance evidencing maintenance of the insurance required under this Agreement, endorsements as

required herein, and such other evidence of insurance or copies of policies as may be reasonably required by the City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a rating of "A:VII." Certificate(s) must reflect that the insurer will provide thirty 30-day notice of any cancellation of coverage. APP will require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

E. Should AAP, for any reason, fail to obtain and maintain the insurance required by this Agreement, City may obtain such coverage at APP 's expense or terminate this Agreement.

8. RELATIONSHIP. APP employees, principals, staff, volunteers, or other agents participating in the Event pursuant to this Agreement will not be considered City's employees. City does not assume any liability under law relating to workers' compensation on account of any act of any actions of such APP employees, principals, staff, volunteers, or other agents pursuant to the Agreement.

9. LAWS AND REGULATIONS. APP is responsible for complying with any and all applicable federal, state, county, and municipal laws and regulations respect to performance under this Agreement. Such compliance will be at APP 's sole cost.

10. ACCEPTANCE OF ELECTRONIC SIGNATURES. In accordance with Government Code §16.5, the parties agree that this Agreement will be considered signed when the signature of a party is delivered by electronic transmission. Such electronic signature will be treated in all respects as having the same effect as an original signature.

11. NOTICES.

A. All notices given or required to be given pursuant to this Agreement will be in writing and may be given by personal delivery, mail, or email.

B. Notice sent by mail will be addressed as follows:

To City: City of El Segundo
350 Main Street
El Segundo, California 90245

Attn: John Jones, Interim Community Services Director,
jjones@elsegundo.org

To AAP:

Attn: Ken Herrmann, CEO of APP, ken@apptour.org

When addressed in accordance with this paragraph, notices will be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices will be deemed given at the time of actual delivery.

C. Notice sent by email will be addressed as follows:

To City: John Jones, Interim Community Services Director, jjones@elsegundo.org

To AAP: Ken Hermann, CEO of APP, ken@apptour.org

When addressed in accordance with this paragraph, notices will be deemed given upon the recipient Party's receipt and acknowledgement thereof.

D. Changes may be made in the names, addresses, or email addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this section.

12. CONSTRUCTION. The language of each part of this Agreement will be construed simply and according to its fair meaning, and this Agreement will never be construed either for or against either party.

13. SEVERABLE. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion will be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement will continue in full force and effect.

14. ENTIRE AGREEMENT. This Agreement constitutes the sole agreement between City and AAP respecting the subject matter herein and correctly sets forth the obligations of City and AAP. There are no other understandings, terms or other agreements expressed or implied, oral, or written.

15. WAIVER. Waiver of any provision of this Agreement will not be deemed to constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver.

16. GOVERNING LAW. This Agreement has been made in and will be construed in accordance with the laws of the state of California and exclusive venue for any action involving this Agreement will be in Los Angeles County.

17. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written agreement. City's City Manager may execute any such amendment on behalf of City.

18. COUNTERPARTS. This Agreement may be executed in any number or counterparts, each of which will be an original, but all of which together will constitute one instrument executed on the same date.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

City OF EL SEGUNDO,	**UNITED PICKLEBALL MANAGEMENT,**
a California municipal corporation	a Limited Liability Company
_____	_____
Darrell George, Interim City Manager	Ken Hermann, Chief Executive Officer

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK D. HENSLEY, City ATTORNEY

By: _____
Joaquin Vazquez, Deputy City Attorney

EXHIBIT “A”
ILLUSTRATION OF CITY FACILITIES
TO BE USED FOR THE EVENT

1. Court #2 current photo
2. Court #3 current photo
3. Map of Rec Park 1 Outlining entire area being used
   Map of Rec Park 2 Tennis Courts #2 and #3 being resurfaced
4. APP Layout of Courts #2 and #3
5. Prospective finished Pickleball courts once resurfaced

Attached

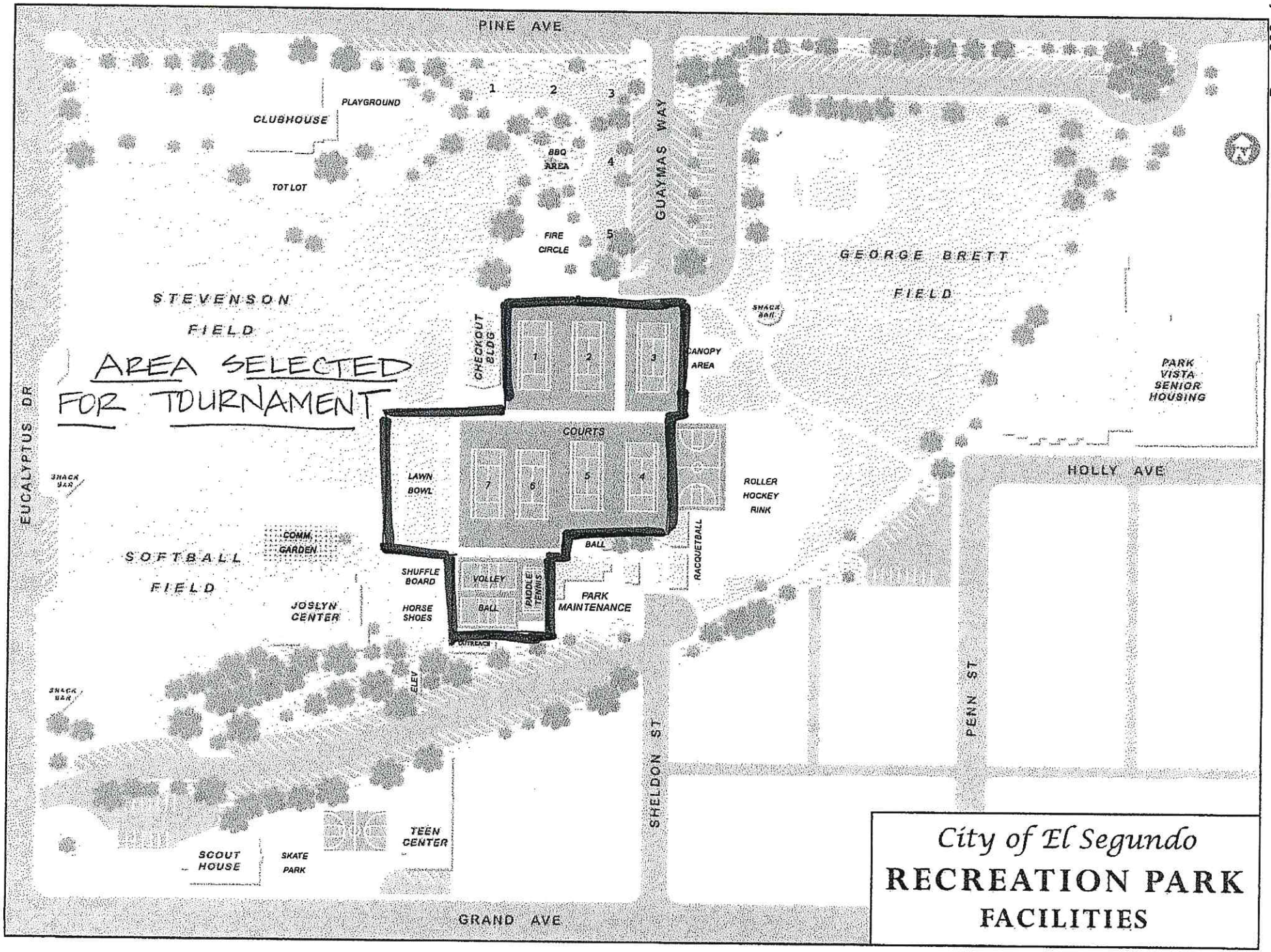
EXHIBIT “B”
EVENT PLAN MINIMUM REQUIREMENTS

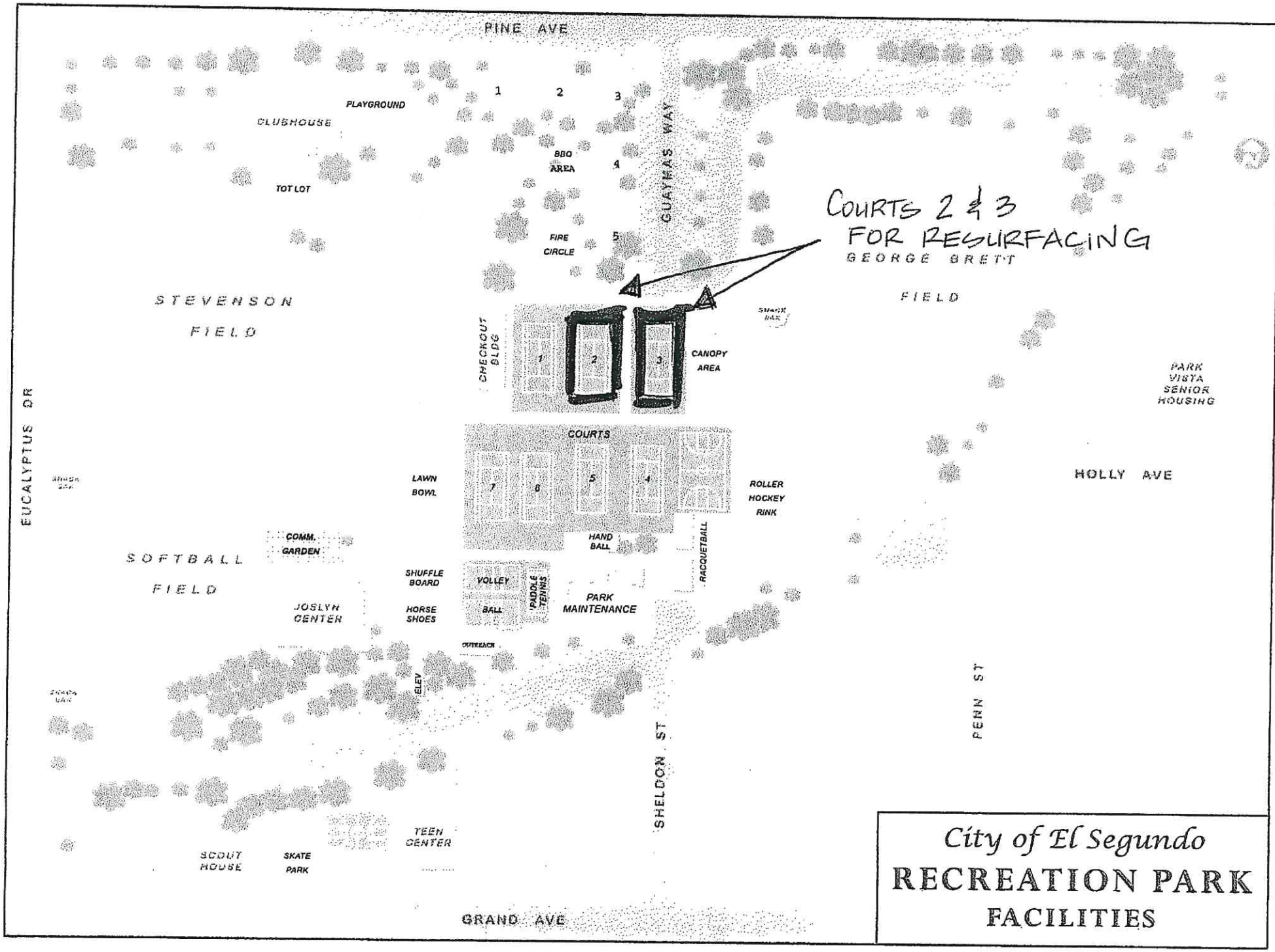
Attached

EXHIBIT “C”
COMMUNITY BENEFITS TO THE CITY

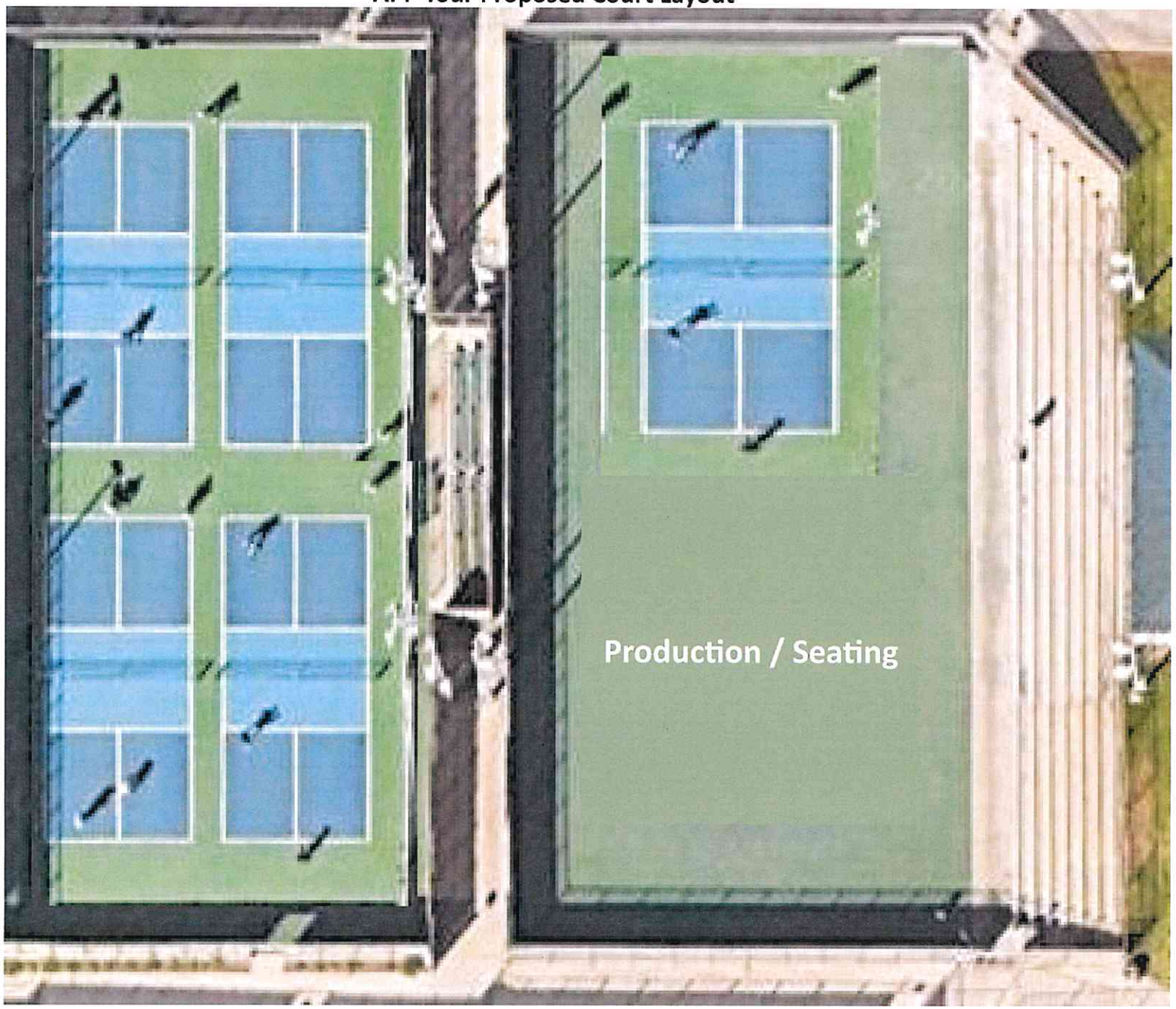
Attached

El Segundo
REC • PARKS
We Engage. We Inspire. We Play.

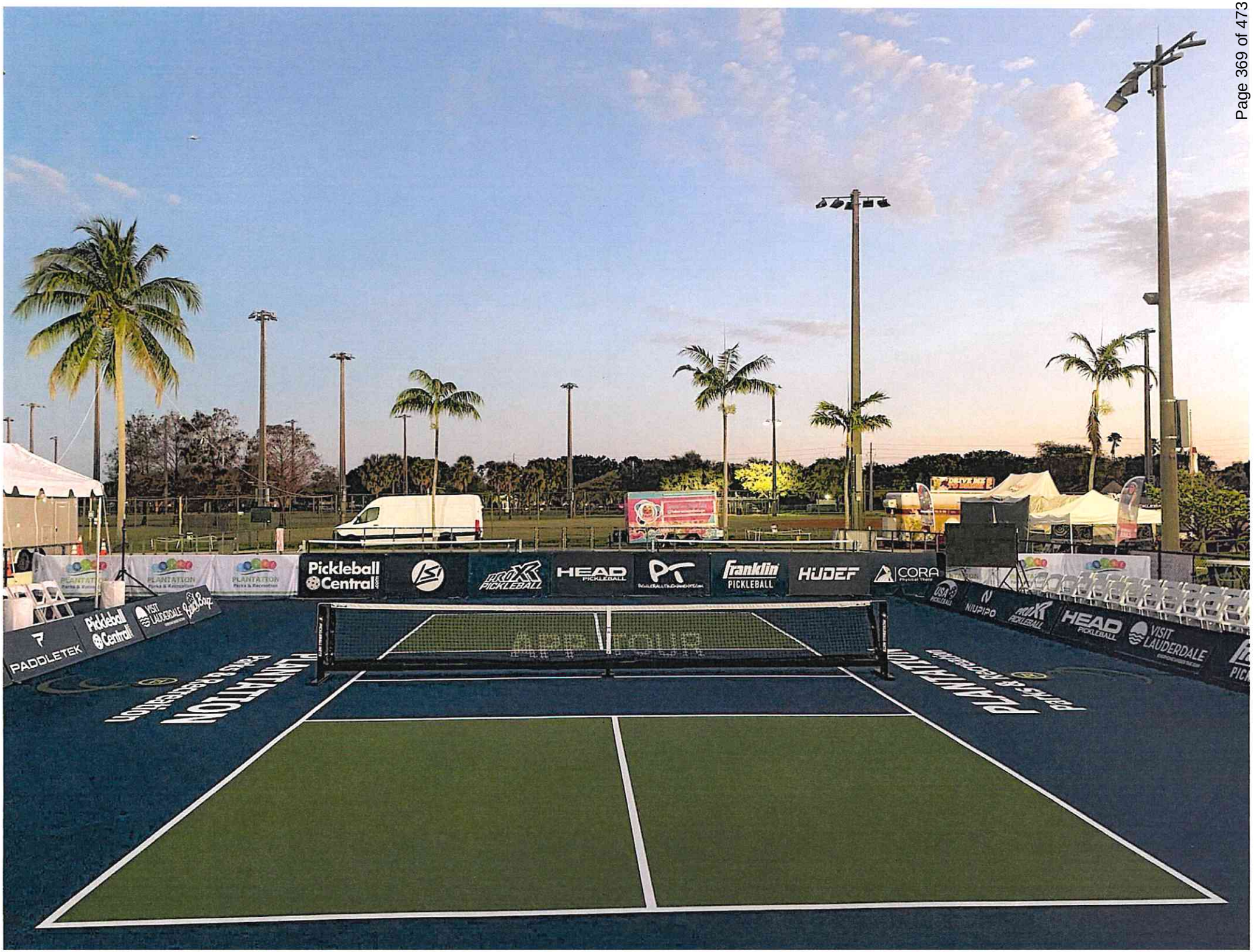

PINE AVE
PLAYGROUND
CLUBHOUSE
TOT LOT
BBQ AREA
FIRE CIRCLE
GUAYMAS WAY
GEORGE BRETT FIELD
STEVENSON FIELD
AREA SELECTED FOR TOURNAMENT
CHECKOUT BLDG
CANOPY AREA
PARK VISTA SENIOR HOUSING
COURTS
LAWN BOWL
ROLLER HOCKEY RINK
HOLLY AVE
EUCALYPTUS DR
SOFTBALL FIELD
COMM GARDEN
SHUFFLE BOARD
VOLLEY BALL
PADDLE TENNIS
RACQUETBALL
PARK MAINTENANCE
JOSLYN CENTER
HORSE SHOES
SHELDON ST
PENN ST
TEEN CENTER
SCOUT HOUSE
SKATE PARK
GRAND AVE
City of El Segundo
RECREATION PARK
FACILITIES


PINE AVE
PLAYGROUND
CLUBHOUSE
TOT LOT
BBQ AREA
FIRE CIRCLE
1
2
3
4
5
GUAYMAS WAY
COURTS 2 & 3 FOR RESURFACING
GEORGE BRETT FIELD
STEVENSON FIELD
CHECKOUT BLDG
CANOPY AREA
SNACK BAR
PARK VISTA SENIOR HOUSING
EUCALYPTUS DR
COURTS
LAWN BOWL
ROLLER HOCKEY RINK
HOLLY AVE
COMM. GARDEN
SOFTBALL FIELD
HAND BALL
RACQUETBALL
SHUFFLE BOARD
VOLLEY BALL
PADDLE TENNIS
PARK MAINTENANCE
JOSLYN CENTER
HORSE SHOES
OUTREACH
PENN ST
SHELDON ST
TEEN CENTER
SCOUT HOUSE
SKATE PARK
GRAND AVE
City of El Segundo
RECREATION PARK
FACILITIES

APP Tour Proposed Court Layout



Court 2 & 3


Pickleball Central
HEAD PICKLEBALL
Franklin PICKLEBALL
HUDEF
CORA
PADDLETEK
Pickleball Central
VISIT LAUDERDALE
HEAD PICKLEBALL
VISIT LAUDERDALE
PLANTATION

Event Plan Minimum Requirements

APP to provide the following:

- Specified dates/times for prep day, tournament, and hours of operation
- Special Event insurance to protect the city.
- Identification of city spaces and courts to be required detailing their engagement with the re-surfacing of court #3 and Basketball Court, as well as how they will tape the remaining courts for use. Map of park areas which will be occupied or blocked off for the tournament.
- Work with city staff to identify the location of the Food truck on the Park making sure that they are approved by the health department and meeting all city permits.
- Identify the location and safe transport of all media vehicles on our park so there is no damage to our turf
- Provide Porta potties and city to provide location. This will be at the proponent's expense.
- Provide their staffing plan for this tournament.
- Coordinate with our economic development manager to assist staff in gauging the economic impact of this event.
- Provide plan for daily garbage disposal and pick up. Private service or City personnel.
- Specified Clean up and breakdown plan for when the tournament is completed.
- Specified day and time of when all courts will be reconfigured back to their original state.
- Specified date and time when all areas will be returned and available for public use.

SPONSORSHIP PACKET
ASSOCIATION OF PICKLEBALL PROFESSIONALS
PICKLEBALL TOURNAMENT
JUNE 23-26, 2022

- Mayor or City Council will have the opportunity to officially welcome the players and media on Friday, June 24, 2022, culminating with a Red Ribbon Cutting Ceremony. Time: 7:45 a.m. for approximately 10 minutes. Audience: approximately 150 participants and several hundred spectators. **Value: $1,000**

- Exclusive on-air interview with the Mayor or City Council Member during the APP Tour Pre-Game Show. Time: 9:45 a.m. for approximately a 10-minute sit down interview on camera with our host Lauren McLaughlin. Topics to include all bullet points for El Segundo to help promote tourism and economic development. Audience: Interview to be broadcast to the 14,500 APP Facebook and YouTube audience. **Value: $3,500**

- City of El Segundo logo to be painted on the championship court. Audience: the minimum 2' x 4' City logo to be placed for camera viewing on our championship court. **Value: $7,000**

- APP will air ten (10) 30-second commercials each day on the YouTube and Facebook livestream for a total of 30 commercial spots throughout the tournament. The commercials will be aired 60% during pro's medal matches which is prime time. **Value: $7,000**

- City of El Segundo to be provided a full-page story and a full-page color print advertisement in the Official Program Guide that is provided to all participants and sponsors, along with a welcome letter from the Mayor and City Council. Lastly, the City of El Segundo City logo will be placed on the cover of the Official Program Guide. **Value: $2,500**

- The City of El Segundo will be allowed to post two (2) 3' x 5' banners to be placed throughout the venue provided by the city. **Value: $3,000**

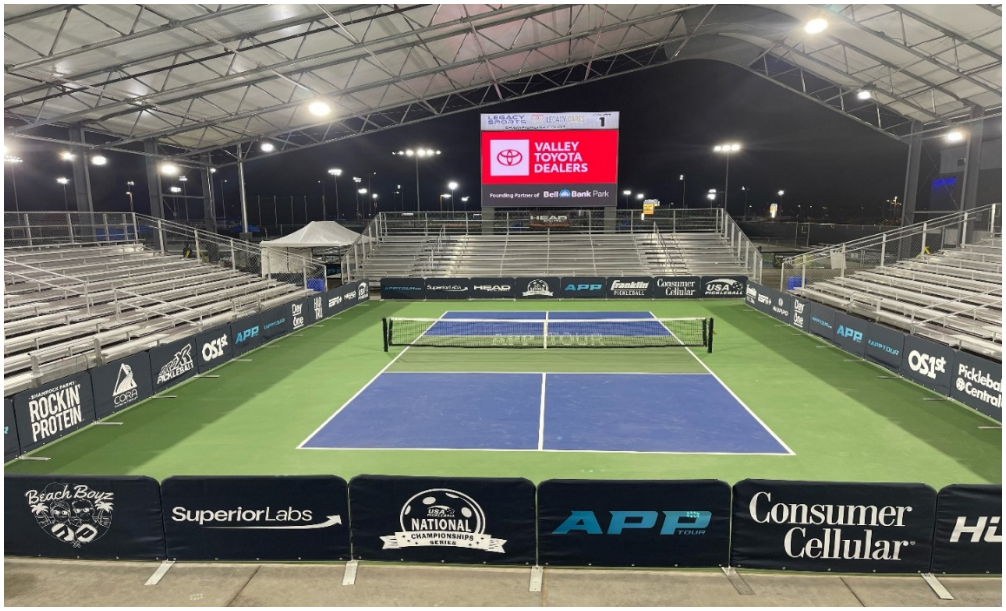
- The City of El Segundo will be allowed to place one (1) 3' x 5' Ad-Cade sign on championship court with camera viewership. **Value: $7,000**

- After the tournament, APP will provide the City a report demonstrating the economic impact of the tournament.
  Estimated Value: TBD

- APP will resurface and repaint tennis courts #2 & #3 and returning them to their original court specifications. **Value: $10,000**

- APP believes this Sponsorship Packet demonstrates the value the City of El Segundo will receive due to the APP Pickleball Tournament to be held on June 23–26, 2022 at Recreation Park.

TOTAL SPONSORSHIP VALUE = $41,000
(Not including the economic impact of this event to the City of El Segundo).


VALLEY
TOYOTA
DEALERS
Beach Boyz
SuperiorLabs
NATIONAL
CHAMPIONSHIPS
SERIES
APP
TOUR
Consumer
Cellular

APP
TOUR
USA
PICKLEBALL
NATIONAL
CHAMPIONSHIPS
SERIES

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Staff Presentations
Item Number: D.21

TITLE:

Request from El Segundo Kiwanis Club to Host and Operate a "Beer Garden" at a Chili Cookoff at Recreation Park.

RECOMMENDATION:

1. Consider the request from the El Segundo Kiwanis Club to host and operate a "Beer Garden" as part of their Inaugural Chili Cookoff Event in Recreation Park; or

2. Alternatively, discuss and take other action as related to the location of the "Beer Garden" for this event.

FISCAL IMPACT:

Refund of $324 for canceling youth programs that run from 9 a.m. - 1 p.m. for approximately 20 youth participants.

BACKGROUND:

The El Segundo Kiwanis Club has asked Councilman Nicol to bring forward a request for the Kiwanis Club to host and operate a "Beer Garden" at the El Segundo Inaugural Chili Cookoff event on Saturday, June 4, 2022 at Recreation Park. This "Beer Garden" would serve as a fundraising venture for the El Segundo Kiwanis Club.

In addition to the approval of the "Beer Garden" concept, El Segundo Kiwanis Club is requesting that City Municipal Code section 10-1-4 C be waived to allow alcohol at a park facility for this event. The El Segundo Kiwanis Club would be subject to compliance with state Alcohol Beverage Commission regulations and would need to obtain a permit from the California Department of Alcohol Beverage Control (ABC). The adult beverages will be served within the permit and strict controls on whom may be served will be adhered to at all times.

Historically, events that allow alcohol have taken place within the parking lot adjacent to

the Fire Department and Library Park, but on all occasions, City Council must waive City Municipal Code section 10-1-4 C.

DISCUSSION:

The Inaugural Chili Cookoff Event is being suggested to take place on the open plaza adjacent to the Clubhouse with the "Beer Garden" to be located in front of the George E Gordon Clubhouse on 300 E Pine. The "Beer Garden" would be bound with perimeter fencing to allow for greater control and supervision (please see attached event map). The event is scheduled from 9 am to 6 pm; however, the "Beer Garden" will operate from 12 pm to 4 pm. Staff will continue to work with El Segundo Kiwanis Club Secretary Barry Gibbons on the logistics for the event.

The "Beer Garden" concept, along with the Inaugural Chili Cookoff will be hosted by the El Segundo Kiwanis Club. A "Beer Garden" has been approved by the City Council in the past for the Richmond Street Fair.

The El Segundo Municipal Code 10-1-4 C prohibits the consumption or possession of intoxicating liquor on any street, sidewalk or parkway, park, playground, or in any public place, or in any place open to the patronage of the public, whose premises are not licensed for the consumption of liquor, which would include Recreation Park.

The suggested location for the Inaugurual Chili Cookoff would impact current youth programming that runs from 9 am - 1 pm in this same area and would require staff to cancel these programs if this location were approved by the City Council. In addition, the Community Services Director is concerned about allowing any alcohol in Recreation Park, as this park is attended by children for little league baseball, playground areas around the George E Gordon Clubhouse, and an assortment of family picnics and other play.

Staff spoke to Mr. Gribbon about this request regarding the location and use of alcohol and he prefers to request the City Council allow this activity at Recreation Park. Although, in staff's conversation with him, he did feel comfortable relocating this event to Library Park as he realized that the use of alcohol had been previously approved for Library Park. Staff have verified that there are no planned events for Library Park on June 4, 2022, so there would be very little youth activity in Library Park on that date.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:
Hank Lu, Risk Manager, Finance
REVIEWED BY:
John Jones, Interim Community Services Director
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. Chili Cookoff Plan

E Pine Ave
E Pine Ave
E Pine Ave
E Pine Ave
Eucalyptus Dr
Eucalyptus Dr
Beer Garden
George E. Gordon Clubhouse
Chili Booths
Chili Booths
Stage
300

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Staff Presentations
Item Number: D.22

TITLE:

Resolution Certifying Sufficiency of Commercial Cannabis Voter Initiative Petition and City Council Direction on Voter Initiative Ordinance, Potential City Cannabis Tax Measure, City Non-Initiative Regulatory Ordinance, and Competing City Regulatory Initiative.

RECOMMENDATION:

1. Adopt a resolution approving the City Clerk's certification of initiative petition.

2. Approve one of the following;

    a. Reading, by title only, waiver of further reading, and introduction of the initiative ordinance, without alteration, and direction to approve a second reading at an adjourned regular meeting within 10 days.

    b. A motion submitting the initiative ordinance, without alteration, to the voters and direction to the City Clerk to present the initiative ordinance as a ballot measure with the calling fo the regular general municipal election to be held on November 8, 2022; or

    c. A motion ordering a report pursuant to Elections Code § 9212 to be presented to Council within 30 days.

3. Provide direction to staff regarding a potential City-initiated commercial cannabis tax initiative.

4. Provide direction to staff to pursue or forego a non-initiative City commercial cannabis regulatory ordinance in exchange for withdrawal of the voter initiative or a City commercial cannabis regulatory initiative to compete with the voter initiative.

FISCAL IMPACT:

The cost of reviewing 1660 signatures by the Los Angeles County Registrar-Recorder/County Clerk (“County") per City Council direction was $4885.20. The signature presentation of the citizen initiative ordinance to the City's voters at the November 8, 2022 General Municipal Election comprises approximately $2,513 of the total estimate from Los Angeles County. This cost will be included in the election portion of the FY 2022-2023 budget. Additional costs would be incurred for adding City initiative measures for a commercial cannabis regulatory initiative or a commercial cannabis tax initiative and for associated due diligence and initiative or ordinance preparation work, including environmental review.

BACKGROUND:

On July 20, 2021, a notice of intent to circulate an initiative petition was filed with the City Clerk. The initiative generally requires the City's allowance of no more than two commercial cannabis business permits for retail business located within the City. A third or any additional retail licenses above this maximum would only be required upon an order by a court of competent jurisdiction as a judicial remedy. The voter initiative does not require the City to permit, regulate, or otherwise allow other, non-retail cannabis uses like cultivation, manufacturing, distribution, or laboratory testing, although it does afford the City discretion to permit and regulate such uses. The notice of intent, including the initiative text, is attached to this report.

The initiative contains a comprehensive ordinance regarding the allowed locations and requires the retail establishments to be located at certain minimum distances from sensitive uses like schools, parks, daycare centers, etc. It also has a point system which the City would be required to implement to determine which will be successful in locating businesses in the City. The locations where retail establishments would be allowed are identified on the attached map. It is noteworthy that 58% of the residents of El Segundo voted in favor of Proposition 64, which was the 2016 statewide ballot measure that legalized commercial cannabis activities in the state.

The City Clerk provided the City Attorney's ballot title and summary for the initiative to the proponent on August 1, 2021, beginning the 180-day period statutory period for proponents to collect signatures. The proponents filed the initiative petition and signatures with the City Clerk's Office on January 21, 2022. Following a statutory prima facie examination counting approximately 1,660 signatures, the City Clerk forwarded the petition to the Los Angeles County Registrar-Recorder/County Clerk (“County"), where it examined a sampling of the pursuant to the sampling method set forth in Elections Code § 9115 as over 500 signatures were submitted with the petition.

The number of registered voters in the City, as reported to the Secretary of State on July 16, 2021, was 12,451. Pursuant to Elections Code § 9215, the petition is considered sufficient if signed by at least ten percent (10%) of City’s registered voters, or 1,245 based upon the registered count at the time that the proponent published the ballot title and summary. Such publication occurred on August 5, 2021.

Pursuant to the County's signature verification results, 468 of the sample 500 signatures were verified as sufficient, and under Elections Code § 9115(b). Although the County's sampling indicated the number of valid signatures to be 125% of those required for sufficiency, beyond the 110% statutory threshold to bypass the counting of all signatures, the City requested the County's review of all signatures in an abundance of caution. Based upon the County's March 9, 2022 report of its review of all signatures, 1,555 of the 1,660 signatures were found as sufficient, and the 1,555 number of signatures exceeds the 1,245 signature threshold to require City Council action in accordance with Elections Code § 9215. Such County report is attached to the City Clerk's certification of sufficiency for the petition. The proposed resolution would confirm this City Clerk's certification.

DISCUSSION:

Elections Code § 9115 requires that the City Clerk's certification of the initiative petition examination be presented to the City Council at its next regular session after the determination that the petition has sufficient signatures. City Council approval of the attached proposed resolution would confirm the City Clerk's petition certification, which is attached to the resolution.

Upon certification, Elections Code § 9215 requires the City Council to take certain prescribed action on the initiative. Accordingly, the Council must elect to take one of the following actions:

Voter Initiative Option 1: Approval of Voter Initiative Ordinance without Alteration
If the City Council seeks to adopt the ordinance without alteration, it may read the voter initiative ordinance by title only, waiver further reading, introduce the ordinance for first reading, and direct approval and second reading at an adjourned regular meeting within 10 days. An adjourned regular meeting would be necessary because ordinances may only be approved via second reading at a regular or regular adjourned meeting per Government Code § 36934 and Elections Code § 9215 requires that the ordinance be adopted within 10 days of certification. The voter initiative is exempt from environmental review pursuant to controlling case law and provides for the proponent to indemnify the City for legal actions resulting from the ordinance's implementation.

Voter Initiative Option 2: Submission of Voter Initiative Ordinance to Voters
If the City Council chooses to submit the ordinance, without alteration, to the voters, subsequent action would be scheduled to submit the initiative to voters for their consideration at the November 8, 2022 election. August 12, 2022 is the last day for the City to file a resolution with the County Board of Supervisors placing a measure on the ballot. Despite this legal deadline, the County has indicated a preference to have all city measures filed on or before July 31, 2022. The City would be prohibited from spending public funds to assist in the passage or defeat of the initiative (e.g., television and radio announcements, printing cards, banners, and other promotional items) pursuant to Gov.

Code § 54964 and well-established case law.

Voter Initiative Option 3: Request Report from Staff
The Council may also request a report from staff regarding the initiative ordinance regarding various impacts on the City, such as zoning, infrastructure and services, and land use impacts. If requested, staff must present the report to the City Council no later than 30 days from the legislative body's certification of the petition's sufficiency. The City Council would be required to adopt the ordinance or submit the ordinance to the voters within 10 days of the presentation of the report.

In addition to the three options outlined above concerning the voter initiative ordinance, staff also seeks City Council direction concerning the placement of a commercial cannabis tax measure on the November 8, 2022 ballot; and pursuit or foregoing of a non-initiative City commercial cannabis regulatory ordinance on the ballot or placing a competing City commercial cannabis regulatory ordinance on the ballot.

City Commercial Cannabis Tax Measure
A City-initiated commercial cannabis tax ordinance would be prudent to ensure the generation of City tax revenue for commercial cannabis activities, whether the ultimate vehicle for commercial cannabis activity is through a voter initiative or City initiative. The measure can be crafted based on specific metrics, such as a percentage of gross receipts (e.g., 6% fixed or 1-6% adjustable range) and can be made contingent upon a cannabis regulatory tax measure being approved now (via the current voter initiative) or in the future. The tax measure would be separate from regulatory fees the City Council would need to adopt to recover City costs in carrying out any commercial cannabis regulatory scheme. David McPherson of HDL, who has crafted scores of municipal cannabis measures in the state, is advising the City on the text of a potential City-initiated tax measure. Staff requests Council direction on the tax measure's terms. For example, the tax measure may be proposed as a general tax, which only requires a simple majority of voter approval, where the revenue may be used for any general municipal purpose. Alternatively, the tax may be structured as a special tax, where the revenue may only be utilized for specific purposes identified in the measure. A special tax measure requires a higher voter threshold of two-thirds majority for approval. Such an initiative would be subject to the August County submission deadline referenced above.

Pursuing or Foregoing a Non-Initiative City Regulatory Ordinance or Competing City Commercial Cannabis Regulatory Initiative
In lieu of simply submitting the voter initiative to the voters, the City Council may adopt a non-initiative City commercial cannabis regulatory ordinance in exchange for withdrawal of the voter initiative or place a City commercial cannabis regulatory initiative on the ballot to compete with the voter initiative.

The representatives of the voter initiative have offered to withdraw the voter initiative (they have until the first week in August to do so) in exchange for the City adopting a

non-initiative commercial cannabis regulatory ordinance which substantially mirrors their initiative with certain modifications. As noted previously, City staff has identified concerns with the voter initiative's point system for scoring applicants, given potential subjectivity involved in awarding points based upon aesthetics, safety measures, ownership interests, labor interests, etc. Such subjectivity can lead to costly litigation. While the initiative does require that the entity awarded a license defend and indemnify the City in litigation, implementing the point system and being a part of ongoing litigation is a drain and redirection of staff resources and has lost opportunity costs associated with it.

The proponent is willing to eliminate the point system, exclude a cap on the number of licenses, and limit each eligible parcel to one establishment only (as some parcels contain separate unit structures). The proponent does seek specific land use and sensitive use buffers and will not agree to a square footage cap for retail establishments. Between the setting of specific proposed buffers and market forces of supply and demand, it seems unlikely that the City would end up with more than a few retail establishments. A non-initiative City regulatory ordinance would follow the traditional zoning ordinance review procedures, including, without limitation, environmental review, Planning Commission recommendation or approval, and City Council approval.

The advantages to a City non-initiative ordinance are that it would allow the City to amend and change the ordinance overtime to adapt to changing conditions. It would also delete the point system methodology which essentially has the City choosing winners and losers based upon a somewhat subjective system. Finally, while litigation is always possible, it would appear to lessen the chances of the City being sued over the ordinance. The disadvantage of the City adopting an ordinance is that it will take the decision away from the voters and it could result in more retail establishments in the City beyond the two-establishment cap in the voter initiative.

As an alternative to the City adopting a non-initiative regulatory ordinance in exchange for withdrawal of the voter initiative, the City Council may add its own commercial cannabis initiative ordinance to the November 8, 2022 ballot to compete with the voter initiative. With competing ballot measures, both the voter initiative and the City initiative would appear as separate items on the ballot and voters would vote "yes" or "no" on each measure. The ballot measure that passes, if only one passes by simple majority vote, would be the law. If both measures pass, the one with the most yes votes would be the law. Swift action would be necessary under this scenario given the August 12, 2022 deadline to file initiative measures with the County. Drafting and refinement of the initiative, along with due diligence, including CEQA review and determination would have to be completed within this short timeframe. Voter initiatives, as opposed to City initiatives, are exempt from environmental review, and such environmental review opens up another avenue for legal challenge. This timing would also likely limit the prospect of an advisory committee being appointed and effectively advising on the potential City measure. City Council direction on the components of a City regulatory

ordinance would be critical to allow staff to take the next necessary steps to prepare the initiative and conduct the necessary associated actions to meet County initiative submission deadline.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5B: El Segundo approaches its work in a financially strategic and responsible way.

PREPARED BY:
Georgeann Hanna, Special Project Coordinator
REVIEWED BY:
Tracy Weaver, City Clerk
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

1. ES- Resolution Certification Cannabis Initiative Petition 0312022
2. ES- Ordinance Cannabis Initiative Adoption 0312022
3. 2021-07-20 Filed - Notice of Intent to Circulate Initiative Petition for El Segundo Cannabis Regulation and Public Safety Measure
4. Consolidated Buffer Maps

RESOLUTION NO. _____-

A RESOLUTION OF THE CITY COUNCIL OF CITY OF EL SEGUNDO CONFIRMING THE CITY CLERK'S CERTIFICATION OF THE SUFFICIENCY OF PETITION SIGNATURES FOR THE VOTER INITIATIVE ENTITLED "AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS."

The City Council of the city of El Segundo does resolve as follows:

SECTION 1. *Findings*. The City Council finds and declares as follows:

A. On July 20, 2021, a notice of intent to circulate an initiative petition was filed with the City Clerk.

B. The City Clerk provided the City Attorney's ballot title and summary for the initiative to the proponent on August 1, 2021.

C. The proponent published the ballot title and summary in a newspaper of general circulation on August 5, 2021.

D. The proponent gathered petition signatures and submitted the petition to the City Clerk on January 21, 2022.

E. The City Clerk forwarded the petition to the Los Angeles County Registrar-Recorder/County Clerk ("County"), where it examined a sampling of signatures pursuant to the sampling method set forth in Elections Code § 9115 as over 500 signatures were submitted with the petition.

F. The number of registered voters in the City, as reported by the Secretary of State on July 16, 2021, was 12,451, and pursuant to Elections Code § 9215, the petition is considered sufficient if signed by at least ten percent (10%) of City's registered voters, or 1,245.

G. Pursuant to the County's signature verification results, 468 of the sample 500 signatures were verified as sufficient, and under Elections Code § 9115(b).

H. Although the County's sampling indicated the number of valid signatures to be 125% of those required for sufficiency, beyond the 110% statutory threshold to bypass the counting of all signatures, the City requested the County's review of all signatures in an abundance of caution.

I. Based upon the County's March 9, 2022 report of its review of all signatures, 1,555 of the 1,660 signatures were found as sufficient, and the 1,555 number of signatures exceeds the 1,245 signature threshold to require City Council action in accordance with Elections Code § 9215.

J. The City Clerk has issued a certification, attached hereto as Exhibit "A" to this Resolution of the sufficiency of the petition signatures for the subject voter initiative (the "Certification") based upon the County's signature review which is attached to the report accompanying this Resolution.

K. The City Clerk must present the Certification to the City Council indicating the sufficiency of the petition signatures at the next regular meeting following the City Clerk's finding of sufficiency.

SECTION 2. *Approval of Certification.*

A. The City Council approves and confirms the City Clerk's Certification attached hereto as Exhibit "A."

B. The City Council will take all necessary actions identified in Elections Code § 9215 based upon approval of the Certification.

SECTION 3. *Electronic Signatures.* This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 4. *Signature Authority*. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 5. *Effective Date.* This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 6. *City Clerk Actions*. The City Clerk will certify to the passage and adoption of this Resolution, enter it in the City's book of original Resolutions, and make a record of this action in the meeting's minutes.

PASSED AND ADOPTED this ___ day of _____, 2022.

_____
Drew Boyles, Mayor

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF EL SEGUNDO)

I, Tracy Weaver, City Clerk of the City of El Segundo, California, hereby certify that the whole number of members of the City Council of the City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested to by the City Clerk of said City, all at a regular meeting of said Council held on the _____ day of _____, 2022, and the same was so passed and adopted by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM:
MARK HENSLEY, CITY ATTORNEY

_____
Joaquin Vazquez, Deputy City Attorney

EXHIBIT “A”
PETITION INITIATIVE CERTIFICATION
WITH MARCH 9, 2022 SIGNATURE
VERIFICATION REPORT ATTACHED THERETO

CERTIFICATE OF SUFFICIENCY
OF VOTER INITIATIVE PETITION

I, Tracy Weaver, City Clerk of the City of El Segundo, California ("City"), do certify the following:

A voter initiative petition ("Petition") from proponent, Sandra Spiker, was filed with me on January 21, 2022. My office forwarded the Petition to the Los Angeles County Registrar-Recorder/County Clerk ("County") who conducted an examination of the Petition signatures submitted to the City.

Pursuant to the Secretary of State's relevant July 16, 2021 voter registration report, the number of registered voters in the City was 12,451. Pursuant to Elections Code § 9215, the Petition is considered sufficient if signed by at least ten percent (10%) of the 12,451 City's registered voters, or 1,245.

The results of the examination—based upon the County's attached March 9, 2022 report—were as follows:

• Number of signatures filed	1,660
• Number of signatures verified	1,660
• Number of signatures found sufficient	1,555
• Number of signatures found not sufficient	105
• Not sufficient because duplicate	3

Pursuant to the County's signature verification results, 1,555 signatures were verified as sufficient. Based upon the foregoing results, I certify the Petition is deemed to meet the Elections Code § 9215 registered voter signature requirement.

I hereby set my hand and official seal this 12th day of April 2022 at El Segundo, California.

Tracy Weaver

TRACY WEAVER
City Clerk

LOS ANGELES COUNTY
REGISTRAR-RECORDER/COUNTY CLERK

DEAN C. LOGAN
Registrar-Recorder/County Clerk

March 9, 2022

Ms. Georgeann Hanna, Interim Deputy City Clerk
City of El Segundo
350 Main Street
El Segundo, California 90245

Dear Ms. Hanna:

We have completed the signature verification resubmitted on March 2, 2022, for An Initiative Amending the El Segundo Municipal Code to Repeal the Current Prohibition on Commercial Cannabis Activities and Instead Authorize Commercial Cannabis Retailing in Specified Zones Within the City Subject to a Regulatory Permitting Process.

The results of the signature verification are as follows:

Number of signatures filed	1,660
Number of signatures verified	1,660
Number of signatures found sufficient	1,555
Number of signatures found not sufficient	105
Not sufficient because duplicate	3

Please call Tiffany Olsen, Head, Data Entry and Signature Verification at (562) 462-2376 if you have any questions regarding the signature verification of this petition.

Sincerely,

DEAN C. LOGAN
Registrar-Recorder/County Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL SEGUNDO ADOPTING AN ORDINANCE, WITHOUT ALTERATION, ENTITLED "AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS."

THE CITY COUNCIL OF THE CITY OF EL SEGUNDO DOES ORDAIN AS FOLLOWS:

SECTION 1. *Findings*. The City Council finds and declares as follows:

A. Elections Code §9215(a) allows a legislative body to adopt an initiative as an ordinance, without alteration, upon a finding of sufficiency of such initiative by the elections official.

B. On April 19, 2022, the City Council adopted Resolution No. ___ confirming the City Clerk's certification of the sufficiency of the petition signatures for the voter initiative entitled:

"AN INITIATIVE AMENDING THE EL SEGUNDO MUNICIPAL CODE TO REPEAL THE CURRENT PROHIBITION ON COMMERCIAL CANNABIS ACTIVITIES AND INSTEAD AUTHORIZE COMMERCIAL CANNABIS RETAILING IN SPECIFIED ZONES WITHIN THE CITY SUBJECT TO A REGULATORY PERMITTING PROCESS."

C. The City Council seeks to adopt the voter initiative ordinance ("Ordinance") attached hereto as Exhibit "A," without alteration, in accordance with Elections Code §9215(a).

SECTION 2. *Approval*. The City Council approves and adopts the Ordinance attached hereto as Exhibit "A," without alteration.

SECTION 3. *Environmental Review.* This Ordinance was reviewed pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq*., the "CEQA Guidelines"). Based upon such review, the Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines § 15060(c)(2) and § 15063(c)(3) and the California Supreme Court's holding in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029.

SECTION 4. *Electronic Signatures*. This Ordinance may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5. *Construction*. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6. *Enforceability*. Repeal or amendment of any provision of the ESMC will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 7. *Severability*. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. *Recording*. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the city of El Segundo's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 9. *Execution*. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Ordinance signifying its adoption by the City Council of the City of El Segundo, and the City Clerk, or duly appointed deputy, is directed to attest thereto.

SECTION 10. *Effectiveness*. This Ordinance will take effect 30 days following its final passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2022.

_____
Drew Boyles, Mayor

ATTEST:

_____
Tracy Weaver, City Clerk

APPROVED AS TO FORM
MARK D. HENSLEY, CITY ATTORNEY

By: _____
Joaquin Vazquez,
Deputy City Attorney

EXHIBIT "A"
ORDINANCE

[ACCOMPANIES REPORT PRESENTED WITH THIS ORDINANCE PRESENTED TO COUNCIL AND ON FILE WITH THE CITY CLERK]

NOTICE OF INTENT TO CIRCULATE INITIATIVE PETITION FOR THE EL SEGUNDO CANNABIS REGULATION AND PUBLIC SAFETY MEASURE

(Cal. Elect. Code § 9202)

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of El Segundo for the purpose of adopting an initiative that will enact provisions regarding the regulation of commercial cannabis activity in the City.

A statement of the reasons of the proposed action as contemplated in said petition is as follows (up to 500 words):

The purpose and intent of this Measure is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California ("State") law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act, as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of El Segundo's (the "City") neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Measure to regulate the cultivation, manufacturing, processing, testing, distribution, and retail sale and delivery of cannabis and cannabis products in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and which enforces rules and regulations consistent with State law. In part to meet these objectives, a commercial cannabis business permit shall be required to own or to operate a cannabis business within the City. Further, this Measure's requirement for a cannabis business to possess a commercial cannabis business permit is in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and is in addition to any permits, licenses, and approvals required under State or County of Los Angeles law.

Sandra Spiker
NAME OF PROPONENT

624 Sheldon Street
El Segundo, CA 90245
PROPONENT'S ADDRESS

Sandra L Spiker
PROPONENT'S SIGNATURE

July 19, 2021
DATE

RECEIVED
CITY CLERK'S OFFICE
07.20.21
1:23 PM

July 19, 2021

Ms. Tracy Weaver
City Clerk
City Hall, City of El Segundo
350 Main Street
El Segundo, CA 90245

Dear City Clerk Weaver:

RE: Request for Official Ballot Title and Summary/Statement of Proponent for El Segundo Cannabis Regulation and Public Safety Measure

I, Sandra Spiker, am a proponent of the initiative measure that is attached to this letter. Pursuant to Elections Code section 9203, I request that officials of the City of El Segundo, including the City Attorney, proceed with the process of preparing an Official Ballot Title and Summary with respect to the aforementioned initiative measure.

I hereby appoint the attorneys of the Kaufman Legal Group, Damian A. Martin, and their designees to be my representatives for all purposes and communications related to this effort.

Correspondences regarding initiative process may be sent to:

George M. Yin
Kaufman Legal Group
777 S. Figueroa Street, Ste. 4050
Los Angeles, CA 90017
Phone: (213) 452-6565
Email: gyin@kaufmanlegalgroup.com

Damian A. Martin
6700 Pacific Coast Hwy, Ste. 201
Long Beach, CA 90803
Phone: (757) 652-0460
Facsimile: (323) 978-0996
Email: damian.martin.esq@gmail.com

ACKNOWLEDGMENT
(Per Elections Code § 9608)

I, Sandra Spiker, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Sandra L Spiker

Name: Sandra Spiker
Address: 624 Sheldon Street
El Segundo, CA 90245
Tel: (213) 458-3651

Dated this 19th day of July, 2021

THE PEOPLE OF THE CITY OF EL SEGUNDO DO ORDAIN AS FOLLOWS:

SECTION 1. This measure shall be known and may be cited as the El Segundo Cannabis Regulation and Public Safety Measure (the "Measure").

SECTION 2. Purpose and Intent. The purpose and intent of this Measure is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California ("State") law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act (hereinafter, "MAUCRSA"), as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of El Segundo's (the "City") neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Measure to regulate the cultivation, manufacturing, processing, testing, distribution, and retail sale and delivery of cannabis and cannabis products in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and which enforces rules and regulations consistent with State law. In part to meet these objectives, a commercial cannabis business permit shall be required to own or to operate a cannabis business within the City. Further, this Measure's requirement for a cannabis business to possess commercial cannabis business permit is in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and is in addition to any permits, licenses, and approvals required under State or County of Los Angeles ("County") law.

SECTION 3. Legal Authority. Pursuant to Section 7 of Article XI of the California Constitution, and the provisions of the MAUCRSA, as may be amended and augmented under State law and any subsequent State legislation regarding the same, the City is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Except as otherwise provided in this Measure, any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State, or any of its departments or divisions, shall be the minimum standards applicable to commercial cannabis activity in the City.

SECTION 4. Chapter 14 (Marijuana) of Title 4 (Business Regulations and Licensing) of the City Municipal Code is hereby repealed in its entirety and amended to read as follows:

Chapter 14: COMMERCIAL CANNABIS ACTIVITY

4-14-1: Commercial Cannabis Activity Prohibited Unless Specifically Authorized.

A. Except as specifically authorized by this Chapter 14, to the fullest extent permitted by State law, the City expressly prohibits any and all commercial cannabis activity within the City. In particular and if allowable under State law, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City and permitted under this Chapter 14. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not based within the City shall be required to comply with the requirements under this Chapter 14, including the City commercial cannabis business permit application and approval processes under Section 4-14-7.

B. Nothing in this Chapter 14 shall be construed or interpreted to permit the commercial possession, furnishing, manufacture, cultivation, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of industrial hemp.

C. To the extent expressly authorized in this Chapter 14 and Title 15 of the City Municipal Code, the following types of commercial cannabis activity are permitted in the City, subject to the satisfaction of all requirements set forth in this Chapter 14, Title 15 of the City Municipal Code, MAUCRSA, and all other applicable State and local laws, rules, and regulations:

1. Retail sales

2. Cultivation

3. Manufacturing

4. Distribution

5. Testing laboratory

D. Microbusinesses are not a type of commercial cannabis activity permitted to be based within the City pursuant to this Chapter 14 and Title 15 of the City Municipal Code.

4-14-2: Compliance with Laws.

It is the responsibility of the owners, managers, officers, employees, and agents of any cannabis business to ensure that it is operating in a manner compliant with all applicable State and local laws and any regulations promulgated thereunder. Nothing in this Chapter 14 shall be construed as in conflict with State law.

4-14-3: Definitions.

When used in this Chapter 14, the following words shall have the meanings ascribed to them as set forth herein. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

APPLICANT: The person applying for the commercial cannabis business permit under this Chapter 14 (not the owners or the managers of the applicant).

CANNABIS: All parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" also means marijuana as defined by Section 11018 of the State Health & Safety Code. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter 14, cannabis does not mean industrial hemp as that

term is defined by Section 81000 of the State Food & Agricultural Code or Section 11018.5 of the State Health & Safety Code.

CANNABIS BUSINESS: A person engaged in commercial cannabis activity.

CANNABIS PRODUCT: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

CAREGIVER or PRIMARY CAREGIVER has the same meaning as that term is defined in Section 11362.7 of the State Health & Safety Code.

CHIEF OF POLICE: The Police Chief of the City of El Segundo Police Department or his or her designee(s).

CITY: The City of El Segundo.

CITY ATTORNEY: The City Attorney of the City of El Segundo or his or her designee(s).

CITY COUNCIL: The City Council of the City of El Segundo.

CITY MANAGER: The City Manager of the City of El Segundo or his or her designee(s).

COMMERCIAL CANNABIS ACTIVITY has the same meaning as that term is defined under MAUCRSA and includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products as regulated under this Chapter 14.

COMMERCIAL CANNABIS BUSINESS PERMIT: A regulatory license issued by the City pursuant to this Chapter 14 to a cannabis business and is required before any commercial cannabis activity may be conducted in the City and is made expressly contingent upon the cannabis business's ongoing compliance with all of the requirements of this Chapter 14 and any regulations adopted by the City governing the commercial cannabis activity at issue.

CANNABIS CONCENTRATE: Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter 14. A cannabis concentrate is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code.

COUNTY: The County of Los Angeles.

CULTIVATION: Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

CULTIVATION SITE: A location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities may occur. Cultivation sites must be licensed by the City and State pursuant to this Chapter 14.

CUSTOMER: A natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age that is a qualified patient or primary caregiver.

DAY CARE CENTER or CHILDCARE FACILITY: A facility, other than a family day care home, serving infant, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health & Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "day care center" under this Chapter 14 shall override the definition of "day care center" in MAUCRSA at Section 26001 of the State Business & Professions Code.

DELIVERY: The commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer (or a microbusiness engaging in retail sales).

DISPENSARY or RETAILER: A location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

DISPENSING or RETAIL SALE(S): Any activity involving the retail sale of cannabis or cannabis products from a retailer (or a microbusiness engaging in retail sales).

DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between persons lawfully conducting commercial cannabis activity under this Chapter 14 and State law.

DISTRIBUTOR: a person engaged in the distribution of cannabis and cannabis products, who is based within the City, and licensed by the City and State pursuant to this Chapter 14.

EDIBLE CANNABIS PRODUCT: A cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the State Food & Agriculture Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code. An edible cannabis product shall not be deemed to be adulterated pursuant to Section 26131 of the State Business & Professions Code solely because it contains cannabis.

EMPLOYEE: Each individual person employed by a cannabis business who is a part-time, full-time, temporary, or permanent employee.

GROSS RECEIPTS: Except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

A. Cash discounts where allowed and taken on sales;

B. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

C. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

D. Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business;

E. Cash value of sales, trades, or transactions between departments or units of the same business;

F. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and

G. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

LABOR PEACE AGREEMENT: An agreement between a cannabis business and any bona fide labor organization that, at a minimum, protects the City's proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis business. This agreement means that the cannabis business has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis business's employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis business's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment.

LICENSING AUTHORITY: A State agency responsible for the issuance, renewal, or reinstatement of State license, or a State agency authorized to take disciplinary action against a State licensee.

LIQUID ASSETS: Assets that can be readily converted into cash. "Liquid assets" include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. "Liquid assets" does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

LIVE PLANTS: Living cannabis flowers and plants, including seeds, immature plants (including unrooted clones), and vegetative stage plants.

MANAGER: Any individual who will be participating in the direction, control, or management of an applicant or a permittee, including but not limited to, any (i) manager or managing member or other officer of a limited liability company or (ii) president, chief executive officer, secretary, treasurer, chief financial officer, or other officer of a for profit corporation.

MANUFACTURE(ING): To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

MANUFACTURER: A person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

MANUFACTURING SITE: A location where cannabis or cannabis products, directly or indirectly are produced, prepared, propagated, or compounded by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis.

MARIJUANA means "cannabis" as that term is defined in this Chapter 14.

MAUCRSA: Division 10 (commencing with Section 26000) of the State Business and Professions Code and any regulations promulgated thereunder.

MEASURE: The El Segundo Cannabis Regulation and Public Safety Measure.

MICROBUSINESS: A cannabis business engaged in at least three (3) of the following commercial cannabis activities: cultivation (on areas less than ten thousand (10,000) square feet), manufacturing (without the use of volatile solvents), distribution, or retail sale.

OWNER: Any of the following:

A. A person owning in the aggregate equity interests representing twenty (20) percent or more of the voting power of all outstanding equity in the applicant or a permittee;

B. The president, chief executive officer, secretary, or treasurer / chief financial officer of a nonprofit applicant or permittee; or

C. A member of the board of directors of a nonprofit applicant or permittee.

Notwithstanding the above, every applicant and permittee must have at least one individual person designated as an "owner" for the purpose of compliance with this Chapter 14, including the review and evaluation of any commercial cannabis business permit application.

PANIC BUTTON: An emergency electronic contact device which allows an employee in the event of an ongoing crime, threat, or other emergency to alert a security guard responsible for providing immediate on-scene assistance.

PATIENT or QUALIFIED PATIENT: A person who is entitled to the protections of Section 11362.5 of the State Health & Safety Code and includes a person issued an identification card issued pursuant to Article 2.5 of Chapter 6 of Division 10 of the State Health & Safety Code.

PERMITTEE: The holder of a valid, City-issued commercial cannabis business permit.

PERSON: An individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

PERSON WITH AN IDENTIFICATION CARD shall have the meaning given to that term in Section 11362.7 of the State Health & Safety Code.

PREMISES: The designated structure or structures and land specified in the commercial cannabis business permit application that is owned, leased, or otherwise held under the control of the applicant or permittee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one permittee.

SCHOOL: As evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "school" under this Chapter 14 shall override the definition of "school" used in MAUCRSA or Section 11362.768 of the Health & Safety Code.

STATE: The State of California.

STATE LICENSE: A permit or license issued by the State, or one of its departments or divisions, under MAUCRSA and any subsequent State legislation regarding the same to engage in commercial cannabis activity.

TESTING LABORATORY: A laboratory, facility, or entity in the City that offers or performs tests of cannabis or cannabis products and that is both of the following:

A. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the State; and

B. Licensed by the Bureau of Cannabis Control and is owned and operated by a person issued a valid commercial cannabis business permit for laboratory testing from the City.

TOPICAL CANNABIS: A cannabis product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the State Health & Safety Code.

VOLATILE SOLVENT: A solvent that is or produces a flammable gas vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

YOUTH CENTER: (A) any public or private facility that is primarily used to host recreational or social activities for minors such as private youth membership organizations or clubs, social service teenage club facilities or (B) a park, playground, or recreational area specifically designed to be used by children that may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on City, County, or State parks. "Youth center" shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it

include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor's office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "youth center" under this Chapter 14 shall override the definition of "youth center" in MAUCRSA at Section 26001 of the State Business & Professions Code.

4-14-4: Commercial Cannabis Business Permit Required.

A. No person shall operate a cannabis business or engage in commercial cannabis activity within the City unless such business or activity is currently in compliance with all applicable State and local laws, rules, and regulations and the cannabis business has:

1. A valid City business license to conduct such business or activity;

2. A valid commercial cannabis business permit issued by the City pursuant to this Chapter 14 to conduct such business or activity;

3. A valid State license authorizing such business or activity in the City; and

4. A valid certificate of occupancy issued by the City's Building & Safety Division to conduct the commercial cannabis activity at the premises identified in the commercial cannabis business permit.

B. A separate commercial cannabis business permit shall be required for each type of commercial cannabis activity listed in Section 4-14-1.C whether conducted in or engaged on the same premises or on different premises.

4-14-5: Maximum Number and Type of Authorized Cannabis Businesses Permitted.

A. The number of commercial cannabis business permits for retailers based within the City shall be no more than two (2).

B. The number of commercial cannabis business permits for retailers (including microbusinesses engaged in retail sales) based outside the City to engage in delivery within the City shall be zero (0).

C. The maximum number of commercial cannabis business permits issued for cannabis retailers based within the City or outside the City (including microbusinesses engaged in retail sales) may not be amended by the City Council or regulations promulgated by the City Manager pursuant to this Chapter 14. However, the City Council may and shall increase the maximum number of commercial cannabis business permits issued for retailers based within the City or outside the City (including microbusinesses engaged in retail sales) if ordered to do so by a court of competent jurisdiction as a judicial remedy.

D. The number of commercial cannabis business permits for cultivation sites, manufacturing sites, distributors, and testing laboratories shall be established by resolution of the City Council, at the sole discretion of the City Council, including the possibility that the number of commercial cannabis business permits for cultivation sites, manufacturing sites, distributors, and testing laboratories may be zero (0).

4-14-6: Location and Design Requirements for Cannabis Businesses.

Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, cannabis businesses in the City shall be subject to the following location and design requirements:

A. Retailers shall be a permitted use by right subject to this Chapter 14 on property (i) located more than one-thousand (1,000) feet from any school or day care center, (ii) located more than six-hundred (600) feet from any youth center, and (iii) zoned: General Commercial (C-3) or Smoky Hollow West (SH-W)

B. The location and design requirements for cultivation sites, manufacturing sites, distributors, and testing laboratories shall be established by ordinance of the City Council, at the sole discretion of the City Council, including the possibility that cultivation sites, manufacturing sites, distributors, and testing laboratories may not be types of commercial cannabis activity permitted to be based within the City pursuant to this Chapter 14 and Title 15 of the City Municipal Code.

C. With the exception of Chevron Park, a youth center located on County Assessor's Identification Number 4138-016-015, the distances specified in this Section 4-14-6 shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis business is to be located without regard to intervening structures. For Chevron Park, a youth center located on County Assessor's Identification Number 4138-016-015, the distance specified in this Section 4-14-6 shall be the horizontal distance measured in a straight line from the boundary line identified in Exhibit A to the Measure with the buffer radius identified in Exhibit A to the Measure. The People of the City find that measuring the buffer radius for Chevron Park from the parcel line of County Assessor's Identification Number 4138-016-015, a parcel that encompasses approximately 625 acres of which Chevron Park comprises a very small portion, would inhibit the purpose and intent of the Measure.

D. Each cannabis business shall:

1. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis business shall not be detectable from outside the premises and adequate odor control technology shall be utilized;

2. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and

3. Provide and maintain a neighborhood compatibility plan so the City Manager or designee(s) may find that the cannabis business and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

4-14-7: Cannabis Retailer Application Procedure.

A. Within forty-five (45) days following the effective date of this Chapter, the City Manager, pursuant to Section 4-14-29, shall, as a ministerial duty, make available the necessary

forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for retailers up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5.

B. The City Manager shall, as a ministerial duty, cease acceptance of a commercial cannabis business permit application for retailers thirty (30) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for retailers.

C. Within thirty (30) days of ceasing the acceptance of commercial cannabis business permit application for retailers, the City Manager shall, as a ministerial duty, review timely submitted retailer applications for the following minimum requirements:

1. Payment of an application fee established by resolution of the City Council within forty-five (45) days following the effective date of this Chapter to cover all costs incurred by the City in the application process;

2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis business permit or other approvals. The City shall only consider one applicant per property address or County Assessor's Identification Number. In the event that more than one applicant applies for a commercial cannabis business permit application at a given property address or a given County Assessor's Identification Number, the City Manager shall, as a ministerial duty, only accept the commercial cannabis business permit application with the earliest dated evidence of the legal right to use the proposed property for the proposed use in the name of the applicant;

3. Sufficient evidence to demonstrate that the proposed property complies with location and zoning requirements in Section 4-14-6;

4. Proof that an owner or owners of the applicant with an aggregate ownership interest of forty (40) percent or more has served as an owner or owners with an aggregate ownership interest of forty (40) percent or more of (or is an owner as a result of being the chief executive officer of a nonprofit entity of) one or more other cannabis retailers (including microbusinesses with a retail sales component) licensed by a city, county, or state since at least March 1, 2019;

5. Proof of funds showing that the applicant has access and control of over $400,000.00 in liquid assets, which may be via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement. Applicants and permittees shall not be required to show that the applicant or permittee has access and control of over $400,000.00 in liquid assets except on initial application pursuant to this Section 4-14-7, a change in location application pursuant to Section 4-14-13, or an ownership transfer application pursuant to Section 4-14-14;

6. For an applicant with two (2) or more employees, proof of a labor peace agreement between a bona fide labor organization and the applicant (the applicant shall provide the City with a copy of the labor peace agreement that contains the signatures of the union representative and the cannabis business). For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees;

7. A set of plans, including a site development plan, floor plan(s), building elevations (all four (4) sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;

8. Colored interior and elevation renderings;

9. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 4-14-21.L; and

10. The following application components: (a) Qualifications of the applicant's owners and managers; (b) business and operations plan; (c) security plan; (d) safety plan; (e) neighborhood compatibility plan; (f) labor and employment plan; and (g) community benefits plan.

The City Manager shall, as a ministerial duty, reject any commercial cannabis business permit application that fails to meet the minimum requirements contained in this Subsection C.

D. Within sixty (60) days of completing the application review under Subsection C above, the City Manager shall, as a ministerial duty, review and score any complete applications pursuant to the following objective review criteria according to the following quantitative evaluation scale:

1. Qualifications of the applicant's owners and managers – 250 points

The People of the City find that a proven track-record of cannabis retailer operations that successfully generate tax revenue carries out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate the qualifications of the applicant's owners and managers. Accordingly, 150 of the 250 points awardable under this Subsection 1 shall only be awarded, as a ministerial duty, if an owner or owners of the applicant with an aggregate ownership interest of forty (40) percent or more is currently at the time of application submission under this Section an owner or owners with an aggregate ownership interest of forty (40) percent or more of (or is an owner as a result of being the chief executive officer of a nonprofit entity of) a single licensed and lawfully operating commercial cannabis retailer operation (excluding any non-retailer microbusiness, cultivation, manufacturing, distribution, or other non-retailer commercial cannabis operation components) that has generated at least $3,500,000.00 in gross receipts in a consecutive six-month period in the year immediately preceding the date of the application submission under this Section, as demonstrated by tax payment receipts from, tax filings to, or tax returns filed with a city, county, or state.

The remaining 100 of the 250 points awardable under this Subsection 1 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 50 points – A description of the applicant's owner and manager qualifications detailing any special business or professional qualifications or licenses of the applicant's owner and manager that would add to the quality of services that the cannabis business would provide, including in areas related to cannabis, such as legal, finance, business ownership / administration, real estate development, scientific, or healthcare fields.

b. Up to 50 points – Documentation that the applicant's owners and managers have experience operating cannabis retailers in any jurisdiction where cannabis retailers are permitted.

2. Plans, renderings, and overall location – 100 points

The People of the City find that the further a cannabis retailer is located away schools and day care centers, the better a cannabis retailer will carry out the purpose and intent of the Measure (in particular the use of land to protect the City's neighborhoods, residents, and businesses from negative impacts) and that the sensitive use buffers contained in Section 4-14-6 are minimums rather than ideal distances to carry out the purpose and intent of the Measure. Accordingly, 50 of the 100 points awardable under this Subsection 2 shall only be awarded, as a ministerial duty, if an applicant's proposed cannabis retailer is located on property located more than one-thousand four-hundred (1,400) feet from any school or day care center identified and measured pursuant to Section 4-14-6 above and Section 10 of the Measure.

The remaining 50 of the 100 points awardable under this Subsection 2 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 10 points – A premise diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.

b. Up to 10 points – A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in Title 10 of the City Municipal Code. Information on existing conditions shall include:

    1. Exterior photographs showing all sides of any existing structure(s);

    2. Photographs of existing parking areas, landscaping, trash enclosure, and signage;

    3. Information on existing use on the site, including the addresses, uses, and square footages.

    4. Photographs of the existing site if the site is vacant; and

    5. Photographs of adjacent properties for context.

c. Up to 10 points – A floor plan showing information on the existing layout and proposed layout of the building interior.

d. Up to 10 points – Building elevations that provide information on existing conditions and proposed improvements.

e. Up to 5 points – A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.

f. Up to 5 points – Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

3. Business and operations plan – 75 points

The 75 points awardable under this Subsection 3 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 5 points – A written description of the total square footage of the facility with estimated square footage of proposed uses.

b. Up to 10 points – A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.

c. Up to 10 points – A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.

d. Up to 5 points – A description of the sources(s) of capital and use(s) of capital.

e. Up to 10 points – Pro forma financial statements for at least three (3) years of operation.

f. Up to 5 points – A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.

g. Up to 5 points – A description of marketing procedures and tactics.

h. Up to 5 points – A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.

i. Up to 5 points – A description of hours of operation and opening procedures.

j. Up to 5 points – A description of cash handling procedures.

k. Up to 5 points – A description of inventory control procedures to include identification of point-of-sale systems, and track and trace software.

l. Up to 5 points – A description of transportation, loading and unloading, distribution, and delivery procedures.

4. Security plan – 100 points

The 100 points awardable under this Subsection 4 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 20 points – The security plan shall be prepared by a professional security consultant.

b. Up to 10 points – A premises security diagram.

c. Up to 50 points – A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this Chapter 14.

d. Up to 10 points – A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.

e. Up to 10 points – A description of the services of on-site security guards to include the (i) number of security guards; (ii) the hours security guards will be on-site; (iii) locations where security will be positioned; and (iv) security guard responsibilities.

5. Safety plan – 100 points

The 100 points awardable under this Subsection 5 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 20 points – The security plan shall be prepared by a professional fire prevention and suppression consultant.

b. Up to 10 points – A premises safety diagram to include (i) a description / illustration of evacuation routes and (ii) location of fire extinguishers and other fire suppression equipment.

c. Up to 50 points – A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety requirements under this Chapter 14.

d. Up to 10 points – Identify all gases, pesticides, and chemicals to be used and their storage locations.

e. Up to 10 points – A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

6. Neighborhood compatibility plan – 75 points

The 75 points awardable under this Subsection 6 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 30 points – A "Good Neighbor Policy" that (i) includes policies and measures in place to protect adjacent uses from any potential impacts (*e.g.,* noise, light, odor, traffic, etc.) related to the proposed cannabis business and (ii) describes how the cannabis business and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.

b. Up to 15 points – A description of odor mitigation practices to include: (i) identifying potential sources of odor; (ii) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (iii) all proposed staff odor training and system maintenance.

c. Up to 15 points – A description of a waste management plan that includes waste disposal locations within the proposed premises and the applicant's security measures and methods of rendering waste unusable and unrecognizable.

d. Up to 15 points – A description of efforts at sustainability / environmental impact mitigation.

7. Community benefits plan – 100 points

The People of the City find that monetary donations to local non-profit organizations, financial support of City sponsored activities or organizations, in kind donations to the City or other charitable organizations, and economic incentives to the City carry out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate an effective community benefits plan. Accordingly, 50 of the 100 points awardable under this Subsection 7 shall only be awarded if the applicant pledges to voluntarily provide a public benefit to a public use (or a combination thereof), which is defined as a direct financial contribution equal to two percent (2%) of projected gross receipts of the applicant to a public school located within the City, a public park located within the City, and/or a public or nonprofit community organization serving the City or its residents. Beyond the above, no further direct financial contributions shall be considered as part of an applicant's community benefits plan.

The remaining 50 of the 100 points awardable under this Subsection 7 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 25 points – A description of a social responsibility plan to include identification of a community liaison, plans to serve as a social equity business incubator, plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social services organizations.

b. Up to 25 points – A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

8. Labor and employment plan – 200 points

The People of the City find that a proven track-record of cannabis retailer operations with high labor standards and commitment to labor peace carries out the purpose and intent of the Measure and are, therefore, critical for an applicant to demonstrate an effective labor and employment plan. Accordingly, 25 of the 200 points awardable under this Subsection 8 shall only be awarded if the applicant provides documentation that an owner or owners of the applicant with an aggregate ownership interest of fifty-one (51) percent or more are an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more prior to May 31, 2021, of an existing licensed or permitted cannabis retailer, or an existing licensed or permitted microbusiness with a retail sales component (and remains an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more on the date of the application submission under this Section) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least May 31, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission under this Section).

The remaining 175 of the 200 points awardable under this Subsection 8 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 20 points – An organizational chart of showing owners, managers, and employees.

b. Up to 20 points – A description of the owner's and manager's roles in day-to-day operations and decisions.

c. Up to 20 points – A description of the number of employees, title / position, and their respective responsibilities

d. Up to 25 points – A description of compensation to employees, opportunities for continuing education, and employee training.

e. Up to 25 points – A description of whether the cannabis business is committed to offering employees a living wage.

f. Up to 25 points – A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.

g. Up to 20 points – A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.

h. Up to 20 points – A description of a plan to have at least 50% of employee positions filled and hours worked by employees residing in the City.

E. Upon timely receipt of a commercial cannabis business permit application, the City Manager shall direct the Police Chief to conduct background checks in accordance with Section 4-14-21.L. Following review and scoring of complete applications complete pursuant to objective review criteria under Subsection D, the City Manager shall, as a ministerial duty, issue commercial cannabis business permits to applicants in order of their rank under Subsection D up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5. In the event of a tie in the order of ranking under Subsection D up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5, the City Manager shall, as a ministerial duty, break the tie and issue commercial cannabis business permits to applicant with the highest scoring application component in the following order: (1) Qualifications of the applicant's owners and managers; (2) labor and employment plan; (3) plans, renderings, and overall location; (4) security plan; (5) safety plan; (6) community benefits plan; (7) neighborhood compatibility plan; and (8) business and operations plan. In the event of a tie on all application components between one of more applicants up to the maximum number of commercial cannabis business permits authorized in Section 4-14-5, the City Manager shall not hold a public lottery, but rather arrange for the tied applicants to provide public presentations before the City Council, after which the City Council shall publicly rank the applicants pursuant to ranking sheets prepared by the City Manager that achieve a forced ranking based on all of the objective review criteria and quantitative evaluation scale in Subsection D, and the City Manager shall issue commercial cannabis business permits to applicants in order of their rank up to the maximum number of commercial cannabis business permits available following the City Manager's original ranking and issuance of commercial cannabis business permits and the limits contained in Section 4-14-5. However, the City Manager shall not issue a commercial cannabis business permit to any applicant with an owner or manager that:

1. Provided false or misleading information on the applicant's commercial cannabis business permit application;

2. Has been convicted of (or pled no contest to) "an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made" as that term is defined in 26057(b)(4) of the State Business & Professions Code; or

3. Has been sanctioned by a licensing authority or a city, county, or state for unauthorized commercial cannabis activities or has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.

F. Any decision of the City Manager or City Council under this Section 4-14-7 shall be a final administrative decision not subject to administrative appeal under any provisions of this Chapter 14 or any provisions of the City Municipal Code but, rather, subject to judicial review and remedies.

G. In the event that (i) the number of active, operating retailers and issued commercial cannabis business permits falls below the maximum number of commercial cannabis business permits for retailers authorized in Section 4-14-5 or (ii) the City Council is ordered to increase the maximum number of commercial cannabis business permits issued for retailers by a court of competent jurisdiction as a judicial remedy (*e.g.*, if a court of competent jurisdiction orders the City Council to make commercial cannabis business

permits available for retailers (including microbusinesses engaged in retail sales) based outside the City to engage in delivery within the City), the City Manager shall, as a ministerial duty, within thirty (30) days reinstitute the application procedure under this Section 4-14-7, subject to the maximum number of commercial cannabis business permits for retailers authorized and available (not allocated to an active, lawfully operating retailer) for issuance. For the purpose of this Section, a retailer shall be considered operating if (i) upon initial issuance of commercial cannabis business permit (or approval of a change in location pursuant to Section 4-14-13), the retailer commences lawful operations within thirty-six (36) months or (ii) following initial commencement of lawful operations, the retailer does not cease or abandon operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period.

4-14-8: Application Procedure for Commercial Cannabis Activity other than Retailers.

In the event that the City Council, in the sole discretion of the City Council, should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for commercial cannabis activity other than retailers, the City Council, at the sole discretion of the City Council, shall by resolution make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business permit applications for commercial cannabis activity other than retailers up to the maximum number of commercial cannabis business permits authorized pursuant to Section 4-14-5.

4-14-9: Limitations on the City's Liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this Chapter 14 or otherwise approving the operation of any cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive a commercial cannabis business permit:

A. Execution of an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities, or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the cannabis business or any of its officers, employees, or agents.

B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.

C. Defend and indemnify the City for all costs and expenses, including but not limited to attorneys' fees and court costs, that the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business permit or related to the City's approval of a commercial cannabis activity. The City, at its sole discretion, may participate at its own expense in the defense of any such action, but such participation shall neither relieve nor increase any of the obligations imposed on the applicant hereunder.

4-14-10: Commercial Cannabis Business Permit Term.

A. Subject to this Section 4-14-10 and Section 4-14-11, the term of each commercial cannabis business permit shall be indefinite.

B. Upon the one (1) year anniversary of the date of issuance for each commercial cannabis business permits and each year thereafter, the City Manager shall conduct a performance review of the permittee to assess compliance with the requirements of this Chapter 14. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the City Manager or designee(s) shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such failure to remedy shall constitute a material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 14 subject to suspension or revocation under Section 4-14-11.

C. The permittee shall pay a fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the program created under this Chapter 14.

4-14-11: Suspension and Revocation of Commercial Cannabis Business Permits.

A. The City Manager may suspend or revoke a commercial cannabis business permit for any material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 14.

B. Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the commercial cannabis business permit shall immediately result in the suspension of the associated commercial cannabis business permit until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.

C. A permittee shall inform the City Manager or designee(s) of any suspension, revocation, or termination of a State license corresponding to its commercial cannabis business permit within two (2) business days of the suspension, revocation, or termination of the State license.

4-14-12: Appeals Regarding Commercial Cannabis Business Permits.

A. Within ten (10) calendar days after the date of a decision of the City Manager to revoke, suspend, or deny the renewal of an issued commercial cannabis business permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. An appeal shall stay all proceedings in furtherance of the appealed action.

B. At the time of filing, the appellant shall pay the designated appeal fee established by resolution of the City Council.

C. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.

D. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

E. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

F. At the conclusion of the hearing the City Council may affirm, reverse, or modify the decision appealed. The decision of the City Council shall be a final administrative decision, subject to judicial review and remedies.

4-14-13: Change in Location; Updated Application Information.

A. A permittee may change the business location specified in a commercial cannabis business permit upon submission and approval of a change in location application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 4-14-29 within one-hundred eighty (180) days following the effective date of this Chapter 14. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager shall process such change in location applications as a ministerial duty within sixty (60) days of receipt.

B. An applicant or permittee shall notify the City Manager or designee(s) within fifteen (15) calendar days of any material change in the information provided in the applicant or permittee's commercial cannabis business permit application or any change in status of compliance with the provisions of this Chapter 14, including any change in the cannabis business ownership or management.

4-14-14: Transfer of a Commercial Cannabis Business Permit.

A. An owner of a commercial cannabis business permit shall not transfer ownership or control of such permit to another person unless and until the permittee and transferee obtain an amendment to the permit from the City Manager stating that the transferee is now an owner of the permittee. A permittee may change the ownership specified in a commercial cannabis business permit upon submission and approval of a change in ownership application promulgated, as a ministerial duty, by the City Manager pursuant to regulations adopted under Section 4-14-29 within one-hundred eighty (180) days following the effective date of this Chapter 14. The permittee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager shall process such change in ownership applications as a ministerial duty once the City Manager reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this Chapter 14.

B. Notwithstanding Subsection A, during the first three years following the issuance of a commercial cannabis business permit, the City Manager shall not process any application

to change the ownership or control of a commercial cannabis business permit that results in the permittee altering its ownership composition in a manner that would result in the permittee not being entitled to points it was awarded when the permittee was an applicant pursuant to Section 4-14-7. For example, if a permittee received 25 points when it was an applicant for providing documentation that an owner or owners of the applicant with an aggregate ownership interest of fifty-one (51) percent or more are an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more prior to May 31, 2021, of an existing licensed or permitted cannabis retailer, or an existing licensed or permitted microbusiness with a retail sales component (and remains an owner or owners with an aggregate ownership interest of fifty-one (51) percent or more on the date of the application submission under this Section 4-14-7) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least May 31, 2021, inclusive of renewals (and remaining effective, inclusive of renewals, on the date of the application submission), the City Manager shall not process or authorize any change in ownership or control of the permittee if the change would result in the permittee being unable to continue to satisfy the aforementioned criteria subsequent to its approval.

C. Notwithstanding Subsection A, no commercial cannabis business permit may be transferred when the City Manager has notified the permittee that its commercial cannabis business permit has been or may be suspended or revoked.

D. Any attempt to transfer a commercial cannabis business permit either directly or indirectly in violation of this Section 4-14-14 is hereby declared void, and such an unpermitted transfer shall be deemed a ground for revocation of the permit.

4-14-17: Records and Recordkeeping.

A. Each cannabis business shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business permit issued pursuant to this Chapter 14), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request) detailing sales for each month within such period in question. The statement shall also include gross sales for each month and all applicable taxes paid or due to be paid. On an annual basis, each cannabis business shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager.

B. Each cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business and, separately, the same contact information of all officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this paragraph shall be provided to the City Manager upon a reasonable request.

C. Each cannabis business shall maintain a record of all distributions of cannabis and cannabis products to other cannabis businesses authorized by State law for a period of no less than seven (7) years.

D. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, laboratory testing, distribution, sale, delivery, or other commercial cannabis activity processes until purchase or distribution.

E. Subject to any applicable restrictions under the Health Insurance Portability & Accountability Act ("HIPAA") regulations, each cannabis business shall grant the City Manager access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents shall be produced no later than five (5) business days after receipt of the City Manager's request for such data, unless otherwise stipulated by the City Manager. The City Manager may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

4-14-18: Security Measures.

A. A cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the Chief of Police, these security measures shall include, but are not limited to, all of the following:

1. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business.

2. Establishing limited access areas accessible only to authorized cannabis business personnel.

3. Except for live plants, which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner designed to prevent diversion, theft, and loss.

4. Installing twenty-four-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business, which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. The cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police. Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police

upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.

6. Panic buttons shall be installed in all cannabis businesses.

7. Having a professionally installed, maintained, and monitored alarm system.

8. Any bars installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.

9. Security personnel shall be on-site twenty-four (24) hours a day unless the cannabis business has an alternative security program authorized by the Police Chief or designee(s). Security personnel must be licensed by the State Bureau of Security & Investigative Services personnel and shall be subject to the prior review and approval of the Chief of Police, which shall not be unreasonably withheld.

10. Each cannabis business shall install standby generators and have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

11. Additional security measures may be added through the review of a commercial cannabis business permit application.

B. Each cannabis business shall identify a designated security representative/liaison to the City, who shall be reasonably available to meet with the Chief of Police regarding any security related measures or and operational issues.

C. Each cannabis business (including as part of the commercial cannabis business permit application process) shall have a storage and transportation plan and currency management plan, which describes in detail the procedures for safely and securely storing, disposing and transporting all cannabis, cannabis products, and any currency.

D. The cannabis business shall cooperate with the City whenever the Chief of Police makes a request, upon reasonable notice to the cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter 14.

E. A cannabis business shall notify the Chief of Police within twenty-four (24) hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager.

2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.

3. The loss or unauthorized alteration of records related to cannabis and cannabis products or registering customers or employees and/or agents of the cannabis business.

4. Any other breach of security.

4-14-19: Restriction on Alcohol and Tobacco Sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

4-14-20: Fees and Charges.

A. No person may commence or continue any commercial cannabis activity in the City without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of such activity shall be established by resolution of the City Council which may be amended from time to time.

B. All cannabis businesses authorized to operate under this Chapter 14 shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, State, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with this Section 4-14-20, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

4-14-21: Generally Applicable Operating Requirements.

A. Cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City and must comply with State law at all times.

B. Cannabis shall not be consumed on the premises of any cannabis businesses.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager prior to being used by a permittee.

E. All cannabis and cannabis products sold, distributed, and/or manufactured shall be cultivated, manufactured, and distributed by licensed facilities that maintain operations in full conformance with the State and local regulations. The packaging and labeling of cannabis and cannabis products shall comply at all times with State law.

F. There shall not be a physician located in any cannabis business at any time for the purpose of evaluating patients for the issuance of a medicinal cannabis recommendations.

G. Each cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

H. Signage and Notices.

1. In addition to the requirements otherwise set forth in this Section 4-14-21, business identification signage for a cannabis business shall conform to the requirements of the City Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.

2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises, or in the areas adjacent to the premises, is prohibited.

4. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business, other than as lawful customers permitted under State law in the case of retailers.

5. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.

I. Other than as lawful customers permitted under State law in the case of retailers, individuals under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a cannabis business. It shall be unlawful and a violation of this Chapter 14 for any person to employ any person at a cannabis business who is not at least twenty-one (21) years of age.

J. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off-site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager determines is a more effective odor control method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and

2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the commercial cannabis business.

K. The original copy of the commercial cannabis business permit issued by the City pursuant to this Chapter 14 and the City issued business license shall be posted inside the cannabis business in a location readily visible to the public.

L. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which authorizes City authorities to access State and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, or volunteer of the cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police for a background check by the City Police Department. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a commercial cannabis business permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this Chapter 14. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

M. The cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

N. Within sixty (60) days of licensure, for a permittee with two (2) or more employees, the permittee shall attest to the City that the permittee has entered into a labor peace agreement and will abide by the terms of the agreement. The permittee shall submit a copy of the page of the labor peace agreement that contains the signatures of the labor representative and the applicant. For permittees with less than two (2) employees who have not yet entered into a labor peace agreement, the permittee shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees. If an attestation that the permittee is party to a labor peace agreement, and a copy of the page of the labor peace agreement that contains the signatures of the labor representative was submitted to the City by the permittee as part of the application process, that will meet this obligation.

O. Cannabis businesses shall implement a workforce plan that includes at least the following provisions:

1. Commitment for thirty percent (30%) of employees to be local hires; this local hiring requirement is satisfied when a cannabis business shows that it has either hired or made a good faith effort to hire bona fide residents of the City or persons that may establish residency after initial employment with the permittee;

2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis activity; and

3. Entering into a collective bargaining agreement and/or paying a living wage to employees. "Living wage" means fifty percent (50%) more than the applicable

amount of the hourly minimum wage mandated by State law (convertible to an annual salary by multiplying that hourly minimum wage by 2,080, as applicable), whichever is greater.

P. It shall be unlawful for a cannabis business to discriminate in any manner or take adverse action against any employee in retaliation for exercising rights protected under this Chapter 14 or City or State law. These rights include, but are not limited to (i) the right to file a complaint or inform any person about any party's alleged noncompliance with this Chapter 14 or City or State law and (ii) the right to inform any person of his or her potential rights under this this Chapter 14 or City or State law and to assist him or her in asserting such rights. Protections under this this Chapter 14 or City or State law shall apply to any employee who mistakenly, but in good faith, alleges noncompliance with this this Chapter 14 or City or State law. Taking adverse action against an employee within ninety (90) days of the employee's exercise of rights protected under this this Chapter 14 or City or State law shall raise a rebuttable presumption of having done so in retaliation for the exercise of such rights.

4-14-22: Additional Operational Requirements in General.

The City Manager may, pursuant to Section 4-14-29, develop additional cannabis business operational requirements or regulations for all authorized commercial cannabis activities as are determined to be necessary to protect the public health, safety, and welfare.

4-14-23: Additional Operating Requirements for Cultivation Sites.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of cultivation within the City, the City Council shall amend this Section to adopt operating requirements for cultivation within the City.

4-14-24: Additional Operating Requirements for Manufacturing Sites.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of manufacturing within the City, the City Council shall amend this Section to adopt operating requirements for manufacturing within the City.

4-14-25: Additional Operating Requirements for Testing Laboratories.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for the commercial cannabis activity of testing laboratories within the City, the City Council shall amend this Section to adopt operating requirements for testing laboratories within the City.

4-14-26: Additional Operating Requirements for Distributors.

If the City Council should amend this Chapter 14 and Title 15 of the City Municipal Code to permit the issuance of commercial cannabis business permits for distributors based within the City, the City Council shall amend this Section to adopt operating requirements for distributors based within the City.

4-14-27: Additional Operating Requirements for Retailers.

A. Retailers and the operation thereof shall comply with State law at all times.

B. Prior to dispensing medicinal cannabis or medicinal cannabis products to a qualified patient, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.

C. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

D. All restroom facilities shall remain locked and under the control of managers onsite.

E. A retailer shall notify customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state as follows:

1. "The sale or diversion of cannabis or cannabis products without a license issued by the City of El Segundo is a violation of State law and the El Segundo Municipal Code."

2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."

3. "Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."

4. "WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."

5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer and reproductive harm."

4-14-28: Additional Operating Requirements for Delivery.

A. Delivery shall comply with State law at all times.

B. Security plans developed pursuant to this Chapter 14 shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.

C. A retailer shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only retailer that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the retailer and customer:

1. The identity of the individual dispensing cannabis or cannabis products on behalf of the permittee;

2. The identity of the customer receiving cannabis or cannabis products from the permittee;

3. The type and quantity of cannabis or cannabis products dispensed and received;

4. The gross receipts charged by the permittee and received by the individual dispensing cannabis or cannabis products on behalf of the permittee for the cannabis or cannabis products dispensed and received; and

5. The location or address where the sale or retail sale took place or closed.

D. A permittee shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the retailer to the Chief of Police.

E. Individuals making deliveries of cannabis or cannabis products on behalf of the retailer shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.

F. During delivery, a copy of the permittee's commercial cannabis business permit and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.

G. A retailer shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (i) insured at or above the legal requirement in the State; (ii) capable of securing (locking) the cannabis or cannabis products during transportation; (iii) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (iv) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a retailer.

H. A retailer shall facilitate deliveries with a technology platform owned by or licensed to the retailer that uses global positioning system technology to track, and database technology to record and store the following information:

1. The time that the individual conducting delivery on behalf of the retailer departed the licensed premises.

2. The time that the individual conducting delivery on behalf of the retailer completed delivery to the customer.

3. The time that the individual conducting delivery on behalf of the retailer returned to the licensed premises.

4. The route the individual conducting delivery on behalf of the retailer traveled between departing and returning to the licensed premises to conduct delivery.

5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the retailer.

6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the retailer.

7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the retailer.

8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.

9. For each individual delivery transaction, the gross receipts charged by the retailer and received by the individual conducting deliveries on behalf of the retailer for the cannabis or cannabis products dispensed and received.

I. The individual making deliveries on behalf of the retailer shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the retailer and (a) for medicinal cannabis or medicinal cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (b) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

4-14-29: Promulgation of Regulations, Standards, and Other Legal Duties.

A. Consistently with stated requirements of this Chapter 14 (and in particular not to repeal or constructively repeal this Chapter 14), in addition to any regulations adopted under State law, the City Manager is authorized to establish any additional rules, regulations, and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of cannabis businesses, and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter 14.

B. Such regulations shall be published on the City's website.

C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager.

4-14-30: Community Relations.

A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences, in the City, located within one hundred and fifty (150) feet of the cannabis business. Such community relations contact shall respond to any complaints within forty-eight (48) hours of receipt of such complaints.

B. During the first year of operation pursuant to this Chapter 14, the owner(s), manager(s), and community relations representative from each cannabis business holding a commercial cannabis business permit issued pursuant to this Chapter 14 shall attend a quarterly meeting with the City Manager and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter 14. After the first year of operation, the owner(s), manager(s), and community relations representative from each such cannabis business shall meet with the City Manager when and as requested by the City Manager.

C. Cannabis businesses to which a commercial cannabis business permit is issued pursuant to this Chapter 14 shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

4-14-31: Fees Deemed Debt to City.

The amount of any fee, cost, or charge imposed pursuant to this Chapter 14 shall be deemed a debt to the City that is recoverable via authorized processes as set forth in the City Municipal Code or available through any court of competent jurisdiction.

4-14-32: Permittee, Owner, and Property Owner Responsible for Violations.

A. Each permittee and each owner and each manager of the permittee (and each individual owner and each individual manager of an owner or manager of the permittee) shall be responsible for all violations of the laws of the State or of the regulations and/or the ordinances of the City occurring within the City or in or about the premises of the cannabis business, if committed by the permittee or any employee or agent of the permittee and whether or not said violations occur within the permittee, owner, or manager's presence.

B. No person may engage in any commercial cannabis activity within the City unless the person is in compliance with the requirements of this Chapter 14.

C. It shall be unlawful to rent, lease, or otherwise permit any commercial cannabis activity at any location, structure, or vehicle in the City by a person (1) that does not have a valid commercial cannabis business permit issued by the City; (2) that does not have a valid State license; (3) that does not have any other applicable approvals, including, but not limited to, a building permit and City business license; or (4) that is not currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis activity. Property owners shall have strict liability for any commercial cannabis activity at any location, structure, or vehicle in the City by a person (1) that does

not have a valid commercial cannabis business permit issued by the City or (2) that does not have a valid State license.

4-14-33: Inspection and Enforcement.

A. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of the City Municipal Code, or any provision thereof, may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter 14 or under applicable provisions of State law.

B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a cannabis business under this Chapter 14 or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this Chapter 14 or under State or local law.

C. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of this Chapter 14 may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with the City Police Department standards for evidence.

4-14-34: Concurrent Regulation with State.

It is the stated intent of this Chapter 14 to regulate commercial cannabis activity in the City concurrently with the State.

4-14-35: Violations Declared a Public Nuisance.

Each and every material violation of the provisions of this Chapter 14 is hereby deemed unlawful and a public nuisance.

4-14-36: Each Violation a Separate Offense.

Each and every violation of this Chapter 14 shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City Municipal Code. Additionally, as a nuisance per se, any material violation of this Chapter 14 shall be subject to injunctive relief, any commercial cannabis business permit issued pursuant to this Chapter 14 being deemed null and void, disgorgement, and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney's fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, Chief of Police, or designee(s), may take immediate action to temporarily suspend a commercial cannabis business permit issued by the City, pending a public hearing before the City Council.

4-14-37: Criminal Penalties.

Each and every material violation of the provisions of this Chapter 14 may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars ($1,000.00) or imprisonment in the County jail for a period of not more than six (6) months, or by both such fine and imprisonment. Each day a material violation is committed or permitted to continue shall constitute a separate offense.

4-14-38: Remedies Cumulative and Not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

SECTION 5. Chapter 13B (Cannabis-Related Uses and Activities) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby repealed in its entirety and amended to read as follows:

Chapter 13B: PERSONAL CANNABIS CULTIVATION

15-13B-1: Definitions.

The definition of "cannabis" and related terms for the purpose of this Chapter 13B are contained in Section 4-14-3 of the City Municipal Code.

15-13B-2: Prohibited Uses and Activities.

The establishment or operation of any commercial cannabis activity, cannabis-related activity, cannabis storage facility, or cannabis business, including any business licensed by the State or other government entity pursuant to MAURSCA, as it may be amended from time to time, shall comply with Chapter 14 of Title 4 of the City Municipal Code.

15-13B-3: Cultivation of Cannabis for Personal Use.

A. Outdoor Cultivation: The outdoor cultivation of cannabis is prohibited in the City regardless of purpose.

B. Indoor Cultivation: Not more than six (6) plants may be cultivated, planted, harvested, dried, processed, or possessed at one time by persons twenty-one (21) years of age or older when conducted within a single private residence and in a manner consistent with section 11362.2 of the State Health and Safety Code and any other applicable regulations.

15-13B-4: Interpretation.

The intent of this Chapter 13B is to prohibit the personal cultivation of cannabis, whether medical or recreational in nature, to the maximum extent allowed under State law. Nothing in this Chapter 13B should be interpreted as allowing behavior otherwise prohibited by State law and nothing in this Chapter 13B should be interpreted as prohibiting conduct that the City is expressly preempted from prohibiting under State law.

SECTION 6. Section 15-1-6 (Definitions) of Chapter 1 (Title; Interpretation; Definitions) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby amended by repealing the following (with the definitions of such Section 15-1-6 appropriately reordered in sequence):

~~CANNABIS: All parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin, including cannabis infused in foodstuff or any other ingestible or consumable product containing cannabis. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. The term "cannabis" includes "medical cannabis" for the purposes set forth in the Compassionate Use Act of 1996 (Proposition 215), found at section 11362.5 of the Health and Safety Code. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Cannabis" does not mean "industrial hemp" as defined by section 11018.5 of the Health and Safety Code.~~

~~CANNABIS ACCESSORIES: Any equipment, products or materials of any kind which are used or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, smoking, or vaporizing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.~~

~~CANNABIS CULTIVATION: Any activity involving the planting, growing, cultivating, harvesting, drying, curing, grading, trimming or processing of cannabis.~~

~~CANNABIS CULTIVATION FACILITY: A facility where cannabis is cultivated, prepared, and packaged for sale to cannabis dispensaries, to cannabis product manufacturing facilities, or to other cannabis cultivation facilities, but not to consumers.~~

~~CANNABIS DELIVERY: The commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this division, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.~~

~~CANNABIS DISPENSARY: A facility or location, whether fixed or mobile, where cannabis, cannabis products, or devices for the use of cannabis are offered, made available to, or provided, either individually or in any combination, with or without remuneration, for medical, recreational, or other purposes.~~

~~CANNABIS DISTRIBUTION: The procurement, sale, and transport of cannabis and cannabis products between State-licensed entities for commercial use purposes.~~

~~CANNABIS ESTABLISHMENT: A cannabis cultivation facility, a cannabis testing facility, a cannabis product manufacturing facility, or a cannabis dispensary.~~

~~CANNABIS MANUFACTURE: To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.~~

~~CANNABIS PRODUCT MANUFACTURING FACILITY: A facility where cannabis and cannabis products are manufactured, prepared and packaged for sale to other cannabis product manufacturing facilities or to cannabis dispensaries, but not to consumers.~~

~~CANNABIS PRODUCTS: Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.~~

~~CANNABIS RELATED ACTIVITY: Any commercial cannabis activity, cultivation of cannabis, delivery of cannabis or cannabis products, distribution of cannabis or cannabis products, dispensing of cannabis or cannabis products, manufacture of cannabis or cannabis products, sale of cannabis or cannabis products, and the operation or establishment of a cannabis or medical cannabis cooperative, dispensary, delivery service, or provider. "Cannabis-related activity" does not include the cultivation, planting, harvesting, drying, processing or possession of up to six (6) cannabis plants at one time by persons twenty one (21) years of age or older when conducted within a single private residence and in a manner consistent with Health and Safety Code section 11362.2 and any other applicable regulations.~~

~~CANNABIS STORAGE FACILITY: A facility used for the storage of cannabis, cannabis products or cannabis accessories.~~

~~CANNABIS TESTING FACILITY: A facility where cannabis is analyzed and certified for safety and potency.~~

~~COMMERCIAL CANNABIS ACTIVITY: The cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products.~~

SECTION 7. Section 15-5C-2 (Permitted Uses) of Article C (General Commercial (C-3) Zone) of Chapter 5 (Commercial Zones) of Title 15 (Zoning Regulations) of the City Municipal Code is hereby amended to read as follows:

The following uses are permitted in the C-3 Zone:

A. Animal hospitals.

B. Daycare centers.

C. Fitness centers.

D. General offices not exceeding five thousand (5,000) square feet.

E. Hotels and motels.

F. Medical-dental offices and facilities.

G. Public uses, including, but not limited to, fire and police stations, post offices and libraries.

H. Recreational facilities (public and commercial).

I. Restaurants and cafes.

J. Retail uses (excluding off site alcohol sales).

K. Cannabis retailers that meet the requirements of title 4, chapter 14 of this Code.

L. Other similar uses approved by the Director, as provided by chapter 22 of this title.

SECTION 8. Section 2.2.3 (Prohibited Uses) of the Smoky Hollow Specific Plan 2018 is hereby amended to read as follows:

The following uses are prohibited, as defined in Appendix A (Glossary):

- Financial Institutions
- Dwelling: Single, Two, and Multiple Family
- Live/Work
- Service Stations
- General Personal/Mini Storage
- Freight Forwarding
- Medical/Dental Office/Clinic
- Data Centers
- Retail Stores (unless accessory to an allowed use or unless cannabis retailers that meet the requirements of title 4, chapter 14 of the El Segundo Municipal Code)
- Gyms/Fitness Studios
- Vehicle Sales and Services

All existing nonconforming uses listed as prohibited in this Section shall be subject to the procedures outlined in Section 4.4 (Nonconformities).

SECTION 9. Table 2-1 (Allowed Land Uses Table) of the Smoky Hollow Specific Plan 2018 is hereby amended by the addition of the following land use in such Table 2-1:

Land Use	SH-W	SH-E	PF	P[1]	Additional Regulations
Cannabis Retailer	P	—	—	—	Shall meet the requirements of title 4, chapter 14 of the El Segundo Municipal Code

SECTION 10. Sensitive Uses. The People of the City find that the definitions of the sensitive uses (day care centers, schools, and youth centers) under the amendment to Section 4-14-3 of the City Municipal Code in this Measure are subject to some degree of interpretation. However, the People of the City also find that certainty regarding the identification of sensitive

uses (day care centers, schools, and youth centers) under the amendments to Sections 4-14-3 and 4-14-6 of the City Municipal Code in this Measure is required to carry out the purpose and intent of the Measure so the that People, the City, and prospective applicants can clearly identify where and where not lawful cannabis businesses under this Measure may be located. Accordingly and pursuant to the authority delegated by the State to the People of the City under Section 26054(b) of the State Business & Professions Code and overriding the location and design requirements contained in Section 26054(b) of the State Business & Professions Code, the following sensitive uses (day care centers, schools, and youth centers) and only the following sensitive uses (day care centers, schools, and youth centers) located on the following County Assessor's Identification Numbers and only the following County Assessor's Identification Numbers shall be considered under the amendment to Section 4-14-6.A of the City Municipal Code in this Measure for the purpose of the initial establishment of cannabis retailers pursuant to the initial iteration of the cannabis retailer application procedure under the amendment to Section 4-14-7 of the City Municipal Code in this Measure (to include any review and scoring of any applications pursuant to the objective review criteria and quantitative evaluation scale under the amendment to Section 4-14-7.D of the City Municipal Code in this Measure). Only following the initial iteration of the cannabis retailer application procedure and the initial issuance of commercial cannabis business permits under the amendment to Section 4-14-7 of the City Municipal Code in this Measure, may the City Manager (his or her designee(s)) reinterpret the following list of sensitive uses (day care centers, schools, and youth centers) and County Assessor's Identification Numbers for the purpose of subsequent iterations of the cannabis retailer application procedure under the amendment to Section 4-14-7 of the City Municipal Code in this Measure, change in location applications under the amendment to Section 4-14-13 of the City Municipal Code in this Measure, and any iterations of the application procedure for commercial cannabis activity other than retailers under the amendment to Section 4-14-8 of the City Municipal Code in this Measure.

Name	Sensitive Use Type	County Assessor's Identification Number(s)
138th St Elementary School	School	4145-020-903
Acacia Park	Youth Center	4131-001-902
Arena High (Alternative) School	School	4133-004-900
Beach Babies 1	Day Care Center	4175-005-022
Beach Babies 3	Day Care Center	4138-003-008
Beach Babies 4	Day Care Center	4138-013-029
Beach Babies 5	Day Care Center	4138-009-014
Beach Cities Montessori	Day Care Center	4138-003-027
Boy Scouts of America Troop 773	Youth Center	4135-013-900
Camp Eucalyptus Girl Scouts	Youth Center	4139-021-905
Campus El Segundo Athletics Fields	Youth Center	4138-030-903
Candy Cane Park	Youth Center	4136-029-900
Center Street Elementary School	School	4139-021-901
Chevron Park	Youth Center	4138-016-015
Child Development Center	Youth Center	4138-002-901
Constitution Park	Youth Center	4139-017-801
Da Vinci Connect	School	4143-015-901
Da Vinci Schools	School	4138-003-904

Name	Sensitive Use Type	County Assessor's Identification Number(s)
Del Aire Park	Youth Center	4143-015-900
Eagles' Nest Preschool	Day Care Center	4133-004-900
El Segundo Aquatics Center	Youth Center	4138-003-905
El Segundo Cooperative Nursery School	Day Care Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
El Segundo High School	School	4133-003-900, 4132-026-900, 4132-027-900, 4133-004-900
El Segundo Middle School	School	4139-027-903, 4139-027-904
El Segundo Pre-School	Day Care Center	4136-018-027
El Segundo Recreation Park	Youth Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
El Segundo Teen Center & Skate Park	Youth Center	4135-013-905
Futures Academy - Manhattan Beach	School	4138-011-027
George E. Gordon Clubhouse	Youth Center	4135-014-902, 4135-013-906, 4135-013-907, 4135-015-907, 4135-015-905
Haven Academy of Arts	Youth Center	4138-013-006
Hilltop Christian Preschool	Day Care Center	4135-023-023
Hilltop Park	Youth Center	4135-023-900
Holly Valley Park	Youth Center	4131-026-900
Independence Park	Youth Center	4139-017-801
Juan Cabrillo Elementary	School	4145-015-900
Kansas Park	Youth Center	4139-028-903
Kumon Math and Reading Center of El Segundo	Youth Center	4136-025-004
Kumon Math and Reading Center of Manhattan Beach	Youth Center	4173-008-033
Library Park	Youth Center	4136-005-900
Lindamood-Bell Manhattan Beach Learning Center	Youth Center	4138-011-022
Loft Academy	Youth Center	4135-028-005
Manhattan Beach Village Turf	Youth Center	4138-026-900, 4138-026-902
Manhattan Country Club Preschool	Day Care Center	4138-018-908
Mathnasium	Youth Center	4138-006-008
Mattel Child Development Center	Day Care Center	4138-007-041, 4138-007-042
Richard Henry Dana Middle School	School	4145-020-903
Richmond Street Elementary	School	4136-003-901, 4136-004-901
Sand Dune Park	Youth Center	4176-005-900, 4175-004-901
St John's Lutheran Church Nursery Preschool	Day Care Center	4139-017-036
St. Anthony Preschool	Day Care Center	4135-022-035, 4135-022-033
St. Michael's Child Center	Day Care Center	4136-017-046

Name	Sensitive Use Type	County Assessor's Identification Number(s)
Study Hut Tutoring	Youth Center	4136-006-015
Success Learning Center	School	4145-020-903
Sycamore Park	Youth Center	4139-016-900
Urho Saari Swim Stadium	Youth Center	4136-004-902
Vistamar School	School	4138-010-008
Washington Park	Youth Center	4139-018-800, 4139-018-900
Waterhouse Guild	School	4133-009-017

SECTION 11. Categorically Exempt from CEQA. The People of the City find that the actions contemplated by the Measure, including the issuance of commercial cannabis business permits, are categorically exempt from the California Environmental Quality Act ("CEQA") under Section 15060(c)(2) and Section 15060(c)(3) of Title 14 of the State Code of Regulations and the holding by the State Supreme Court in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029. Further, the People of the City find that pursuant to Section 4-14-6 of Chapter 14 of the City Municipal Code as codified by this Measure, cannabis retailers are a use permitted by right in certain zoning districts within the City. As permitted in those zoning districts, cannabis retailers are similar to already existing permitted general uses in those zoning districts with the only difference being the type of product being delivered or sold.

SECTION 12. Conflicting Measures. The People of the City find and declare that the provisions of the Measure relating to the regulation of commercial cannabis activity in the City may conflict with one or more provisions of other initiative measures. It is the intent of the People that if the Measure receives a greater number of affirmative votes than a conflicting measure at the same election, this Measure shall prevail in its entirety over a conflicting measure.

SECTION 13. Severability. If any provision, section, paragraph, sentence, phrase, or word of the Measure is rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason or any preemptive legislation, such unconstitutionality illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase, or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases, or words, or the application of the Measure to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to be the intention of the People of the City that that the Measure would have been adopted had such unconstitutional illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 14. Liberal Construction. The Measure is an exercise of the initiative power of the People of the City to provide for safe and regulated access to cannabis and cannabis products, and shall be liberally construed to effectuate that purpose.

SECTION 15. Legal Defense. If approved by a simple majority of voters, and thereafter challenged in court of competent jurisdiction, the City shall defend the Measure in such court of competent jurisdiction. The People of the City by approving this Measure by a simple majority of voter hereby declare that the proponent(s) of the Measure have a direct and personal stake in defending the Measure from constitutional or statutory challenges to the Measure's validity or implementation. In the event the City fails to defend the Measure, or the City fails to appeal an adverse judgment against this Measure, in whole or in part, in any court of competent jurisdiction,

the Measure's proponent(s) shall be entitled to assert his, her, or their direct personal stake by defending the Measure's validity and implementation in any court of competent jurisdiction and shall be empowered by the People through this Measure to act as agents of the People of the City, and the City shall indemnify the proponent(s) for reasonable attorneys' fees.

SECTION 16. Effective Date. The Measure shall be in full force and effect upon the tenth day following certification by the City Council of the election returns indicating passage of the Measure by a majority of the voters casting votes on the Measure.

SECTION 17. Exhibits. There is one exhibit to this Measure, which is incorporated herein by this reference. The exhibit is as follows:

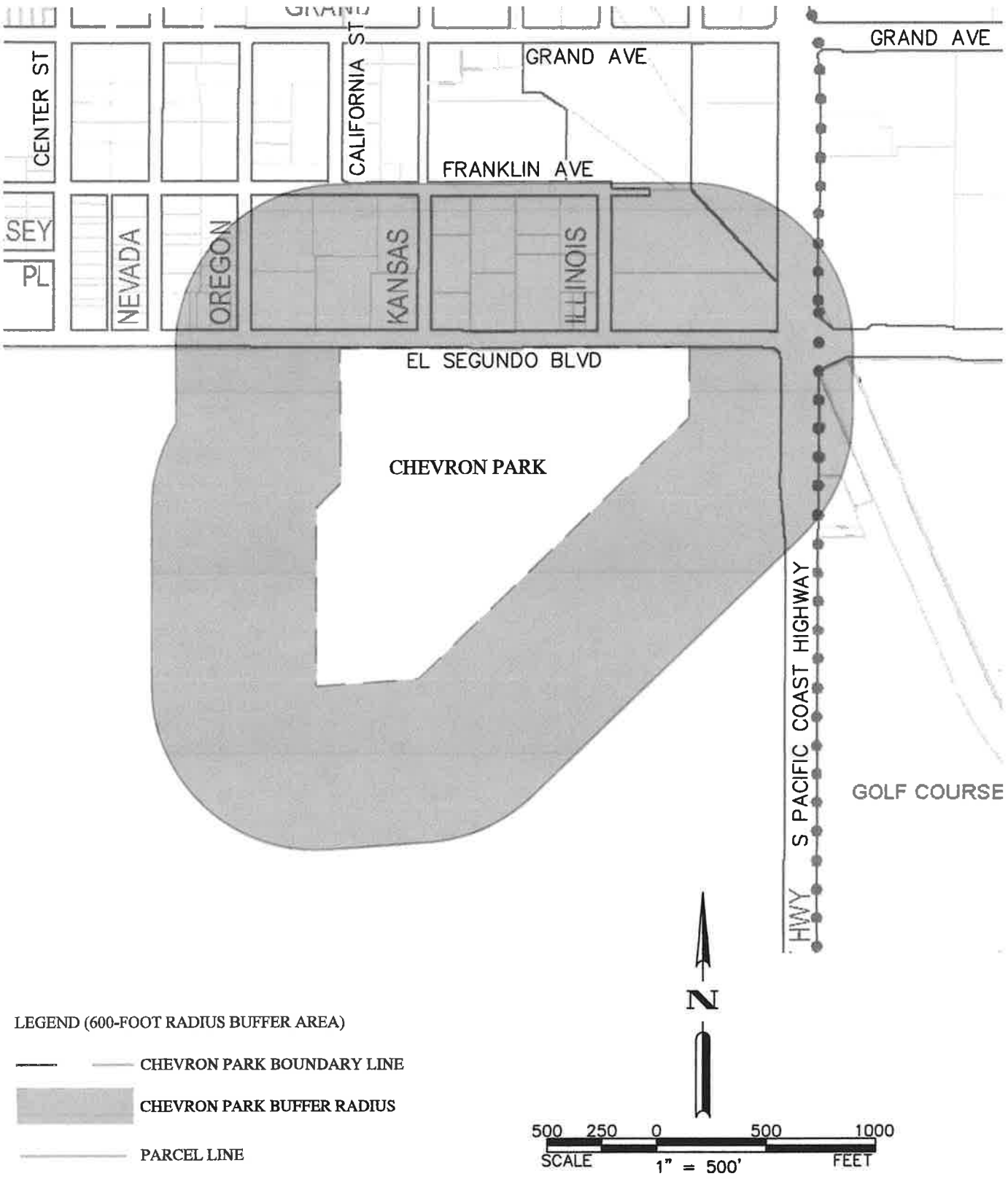
Exhibit A: Chevron Park Boundary Line & Buffer Radius

THE EL SEGUNDO CANNABIS REGULATION AND PUBLIC SAFETY MEASURE

EXHIBIT A

CHEVRON PARK BOUNDARY LINE & BUFFER RADIUS

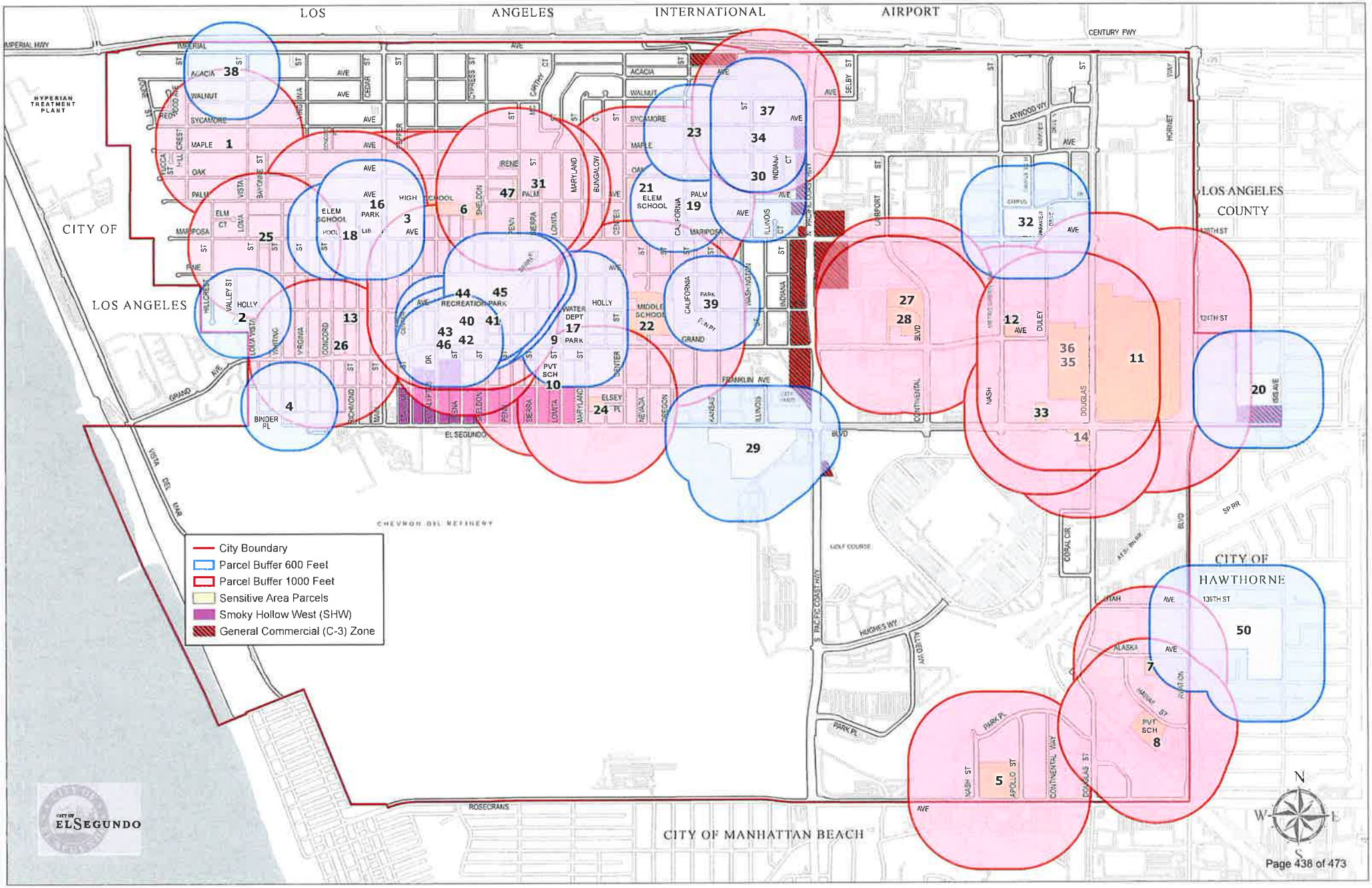
CITY OF EL SEGUNDO
CHEVRON PARK BOUNDARY LINE & BUFFER RADIUS



LEGEND (600-FOOT RADIUS BUFFER AREA)

- CHEVRON PARK BOUNDARY LINE
- CHEVRON PARK BUFFER RADIUS
- PARCEL LINE

DATE PREPARED: 07/19/2021


LOS ANGELES INTERNATIONAL AIRPORT
CENTURY FWY
IMPERIAL HWY
HYPERION TREATMENT PLANT
CITY OF LOS ANGELES
LOS ANGELES COUNTY
CITY OF HAWTHORNE
CITY OF MANHATTAN BEACH
CHEVRON OIL REFINERY
EL SEGUNDO
ROSECRANS
GRAND AVE
MARIPOSA
HOLLY
FRANKLIN AVE
124TH ST
136TH ST
SP PR
City Boundary
Parcel Buffer 600 Feet
Parcel Buffer 1000 Feet
Sensitive Area Parcels
Smoky Hollow West (SHW)
General Commercial (C-3) Zone
CITY OF EL SEGUNDO
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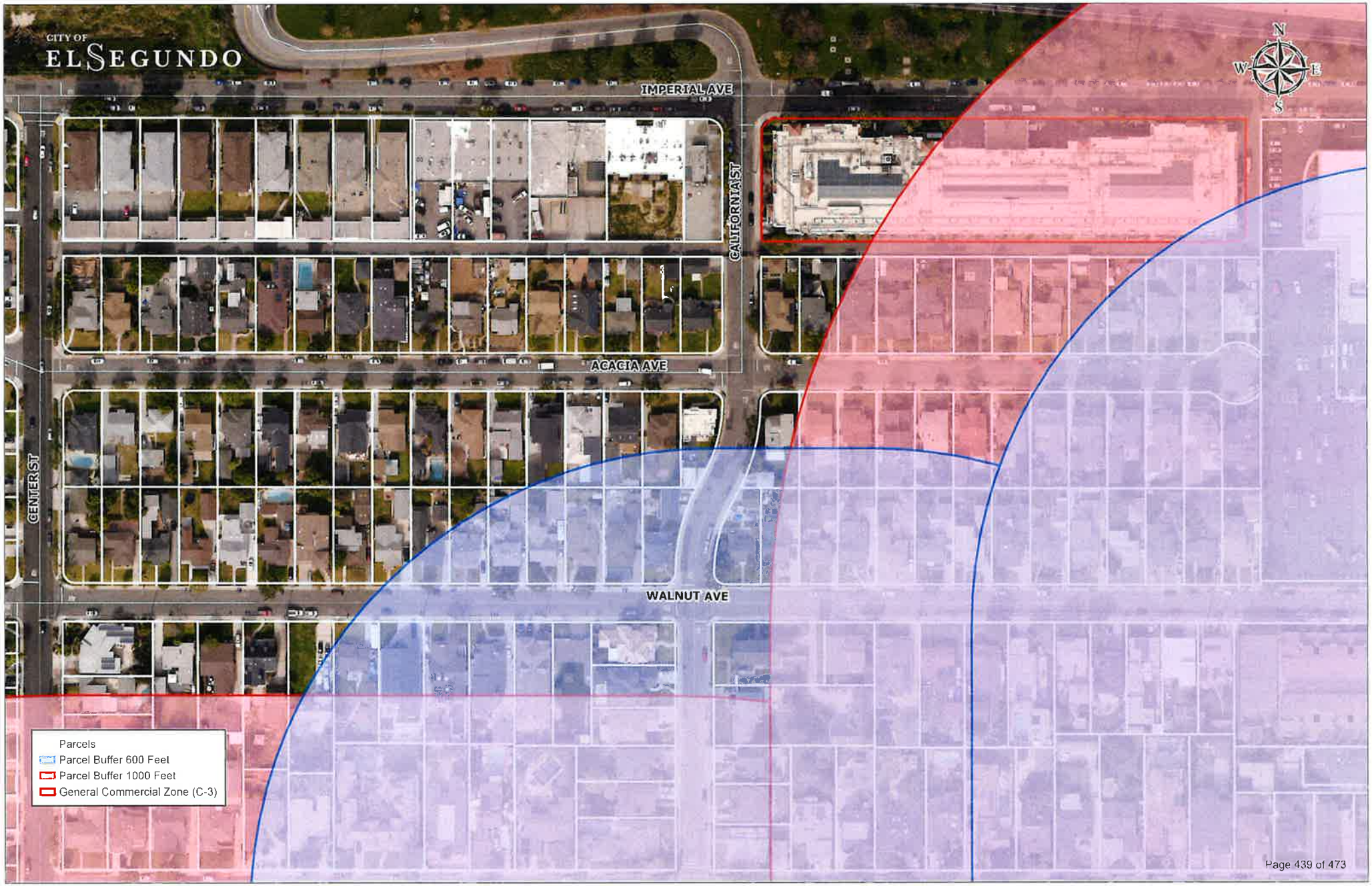
CITY OF
EL SEGUNDO
IMPERIAL AVE
CALIFORNIA ST
ACACIA AVE
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WALNUT AVE
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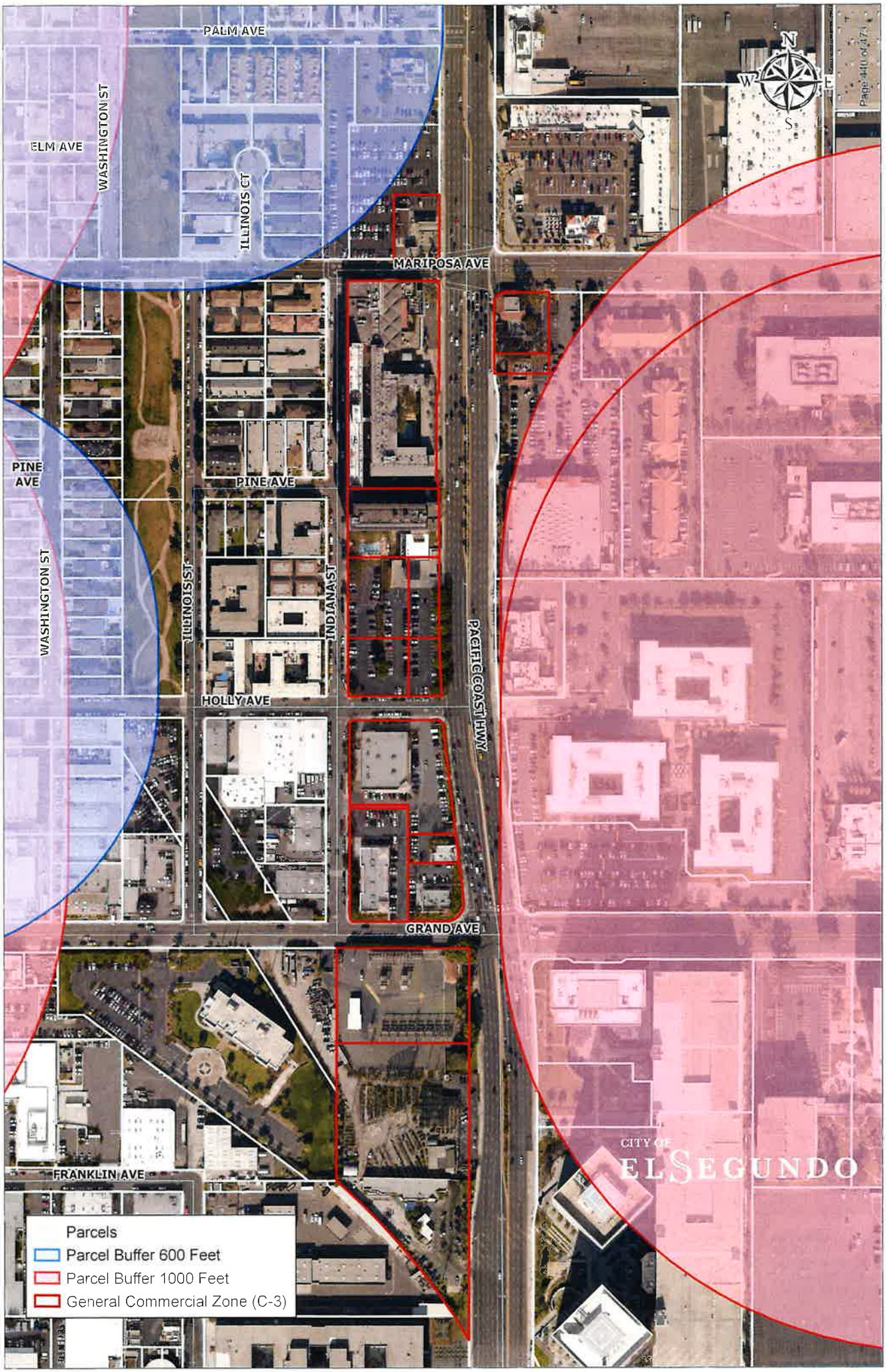
Parcels
Parcel Buffer 600 Feet
Parcel Buffer 1000 Feet
General Commercial Zone (C-3)


PALM AVE
ELM AVE
WASHINGTON ST
ILLINOIS CT
MARIPOSA AVE
PINE AVE
PINE AVE
WASHINGTON ST
ILLINOIS ST
INDIANA ST
PACIFIC COAST HWY
HOLLY AVE
GRAND AVE
FRANKLIN AVE
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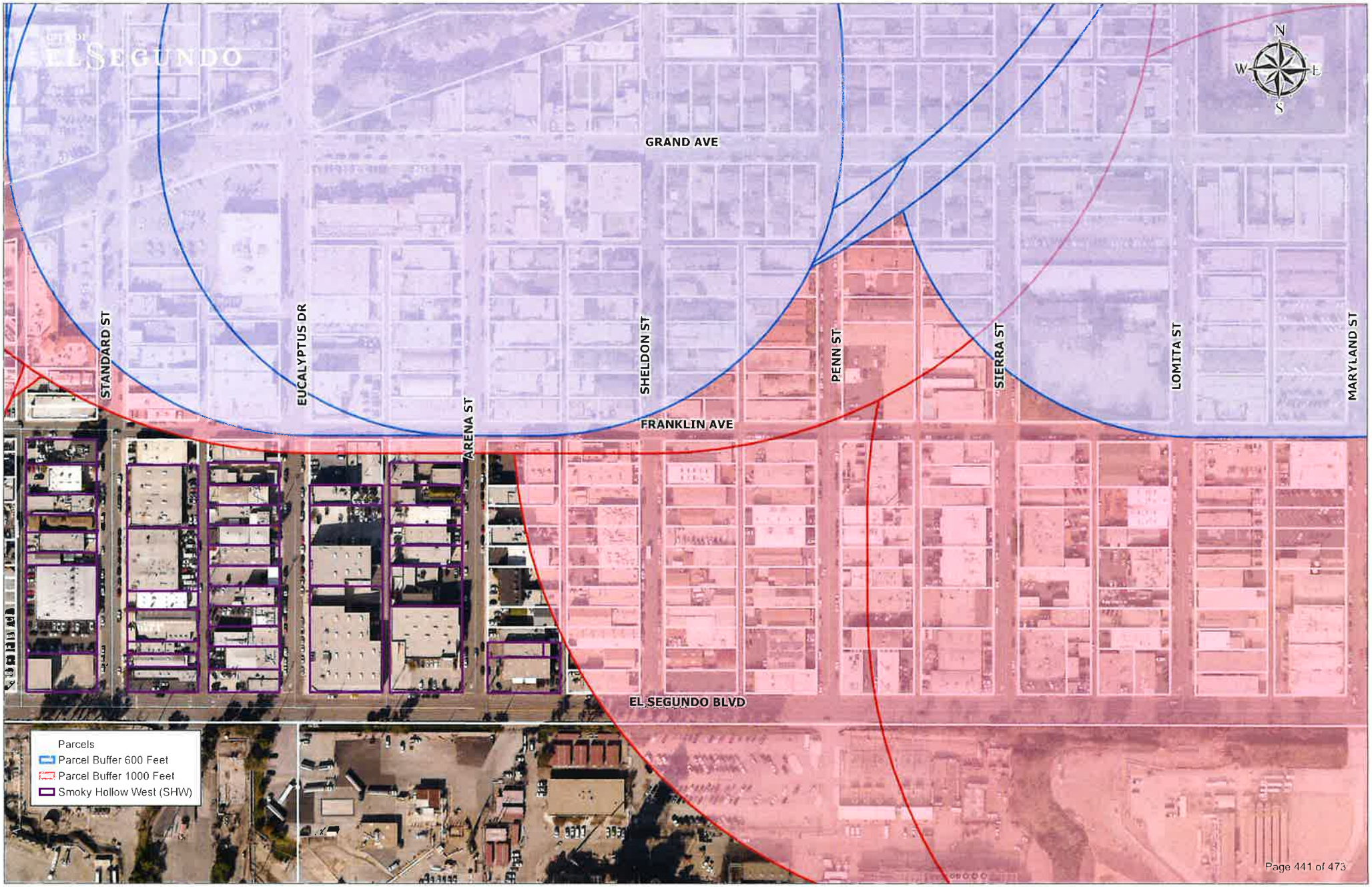
Parcel Buffer 600 Feet
Parcel Buffer 1000 Feet
General Commercial Zone (C-3)


CITY OF EL SEGUNDO
GRAND AVE
STANDARD ST
EUCALYPTUS DR
ARENA ST
SHELDON ST
FRANKLIN AVE
PENN ST
SIERRA ST
LOMITA ST
MARYLAND ST
EL SEGUNDO BLVD
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Parcels
Parcel Buffer 600 Feet
Parcel Buffer 1000 Feet
Smoky Hollow West (SHW)

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Committees, Commissions and Boards Presentations
Item Number: E.23

TITLE:

Arts and Culture Advisory Committee Report

RECOMMENDATION:

1. Receive and file the Arts and Culture Advisory Committee Report on the approved art initiatives for Fiscal Year 2021-2022; and provide direction on recommendations for the Cultural Development Fund initiatives for Fiscal Year 2022-2023.

FISCAL IMPACT:

The expected fund balance for 2022-2023 is $800,000. The ACC's recommendations for Fiscal Year 2022-2023 total $326,000. The Cultural Development Fund currently has a balance of $299,105 in unallocated funding.

BACKGROUND:

On November 19, 2019, the City Council approved Ordinance 1594, establishing a Public Art or In-Lieu Fee Requirement and a Cultural Development Program Fund. The requirement applies to certain commercial and industrial developments with a project cost of $2,000,000 and above. Developers have the option of commissioning public artwork on-site equal to 1% of the project cost or paying 1% to the City's Cultural Development Fund in lieu of commissioning artwork. The El Segundo Cultural Development Program helps provide residential and business community members with public spaces, structures, and experiences that enhance the character of the City through the inclusion of art. Artistic and cultural services provided by the program create additional public access to the arts, help drive tourism and revenue to local businesses, contribute towards realizing cultural equity and inclusion, create opportunities for artists and art organizations in the community, and help grow the creative economy. On June 15, 2021, the City Council approved the following Cultural Development Fund allocations for Fiscal Year 2021-2022: Cultural Arts Coordinator ($100,000), Festival of Holidays ($60,000), Outdoor Dining Enhancements ($55,000), TEDx El Segundo

($50,000), El Segundo Art Walk ($20,000), and Poet Laureate Program ($8,000).

For Fiscal Year 2021-2022, three private developers chose to commission art on-site for their respective campuses. The combined valuation of the three artworks totals $338,000. The on-site projects are as follows:

1. Nash + Grand, Jon Krawczyk's *Petit Grace*, 11' x 40" x 36", $58,000

2. Kinecta Federal Credit Union, Josh Everhorn's *Spruce Goose*, 6' wingspan in diameter atop 8' pedestal, $70,000

3. L'Oréal, Nicole Landau's *Wing* and *Cocoon*, 7.5' x 7', $210,000 The valuation of each artwork was determined by a qualified art consulting firm not involved with the developments.

DISCUSSION:

SUMMARY OF APPROVED ART INITIATIVES FOR FISCAL YEAR 2021-2022
The Arts and Culture Advisory Committee (ACC) and City staff have successfully implemented several of the City Council-approved Art Initiatives over the course of this past year. A detailed summary of FY 2021-2022 initiatives can be found in the Recap of Fiscal Year 2021-2022 Allocated Projects. (Attachment B)

PROPOSED RENEWAL AND NEW INITATIVES FOR FISCAL YEAR 2022-2023
With the success of the past year's initiatives, the ACC is presenting the following initiatives for City Council's review and direction for the Fiscal Year 2022-2023. These eight (8) initiatives are detailed below. With the direction of City Council, the ACC's will bring back to the City Council at a later date these recommendations and corresponding budgets for Fiscal Year 2022-2023. The Community Services Department's Cultural Arts Coordinator will continue to oversee the execution of the recommended projects during the upcoming year if they are approved.

RENEWAL OF APPROVED 2021-2022 INITATIVES FOR FISCAL YEAR 2022-2023 ($326,000):

1. Poet Laureate: Requesting $8,000 (poet's stipend and programming such as community literary workshops, public readings, open mic events)

2. Festival of Holidays: Requesting $40,000 (this figure is lower than last year's budget request and represents a more accurate cost of the event

3. Cultural Arts Coordinator: Requesting $105,000 (this is $5,000 greater than the amount requested for 2021-2022)

NEW INITIATIVES FOR 2022-2023:

4. Visual Artists in Community Fund: Requesting $35,000.

Fund will be used to establish a visual arts program where 4 visual artists are selected to represent El Segundo each year. One visual artist per quarter will engage with the community, similar to the Poet Laureate Program.
(The visual arts programs will be overseen by the Cultural Arts Coordinator; the artist selection process and project are vetted by the City staff and ACC, approved by the City Manager and the Community Services Director)

Types of Visual Art Outcomes:

- Public art—murals, permanent sculptures, and public artworks
- Hard art made in an artist's studio—2-dimensional pieces such as painting, drawing, photography, printmaking, collage or 3-dimensional pieces such as sculpture or assemblage

Outcomes benefitting El Segundo:

- **Establish El Segundo as a cultural placemaking destination that encourages tourism and increases revenue for local businesses**
- **Beautify the City's environment and enrich the experiences of the residents and visitors**
- **Community engagement workshops for all age groups**
- **Develop the City's permanent art collection, adding value and creating an art portfolio for the City**
- **Each selected artist donates one artwork (public mural or hard art) to the City at the end of term (4 acquisitions per year).**

5. Arts and Culture Community Engagement Fund: Requesting $35,000.

An initiative to implement short-term, smaller-scaled art and cultural experiences with community engagement and participation.
(The programs will be overseen by the Cultural Arts Coordinator; experiences are to be vetted by City staff and ACC, approved by the City Manager and the Community Services Director)

Types of Art and Cultural Experiences:

- Music performances, cultural performing arts, theatrical arts, and visiting speaker series (e.g. Dr. Valery Lanyi's Holocaust Survivor talk, visionary, artists,

designers, etc.)
- Other short-term art and cultural initiatives that may arise

Outcomes benefitting El Segundo:

- **Educate and enrich the lives of the City's residents and visitors**
- **Encourage community participation and engagement (people of all ages)**
- **Activate City-owned locations (e.g. City Hall Plaza, Library Park), City-approved activities at the Thursday Farmers Market, and private businesses such as Old Town Music Hall, Main and Richmond Streets eateries, etc.**
- **Foster diversity, equity, and inclusion**

6. Operating Fund: Requesting $10,000 to be transferred into this already established sub-account within the Cultural Development Fund, as recommended by the City's CFO.

Types of Art Services needed:

- Collections management such as documentation, record keeping, maintenance and conservation/restoration
- Physical supplies supporting approved art and cultural programs (art supplies, framing, matting, exhibition preparation supplies, paints, etc.)
- Marketing/promotion of art and cultural programs (printing expenses, advertisement, etc.)

Outcomes benefitting El Segundo:

- **Establish collections management policy and practices**
- **Develop a digital archive of art collections and cultural programs (database, archiving digital assets, etc.)**

7. 2nd City Talks: Requesting $35,000 for a one-day TEDx-like talk event that showcases El Segundo's visionaries, bringing the community together.

Outcomes benefitting El Segundo:

- **Highlight innovative and creative stakeholders and community members**
- **Promote El Segundo as the home to multiple Fortune 500 companies and major sport franchises**
- **Develop partnerships with neighboring organizations**

- **Attract potential companies to the City as a safe, innovative, and prepared community—a hub where big ideas take off**

8. Over the last few years, the ACC has recommended funding to support the El Segundo Art Walk (ESAW). The ESAW would like to continue the strong collaboration/partnership with the City staff and ACC. For ESAW 2022, the ACC recommends the following proposal from El Segundo Art Walk (Attachment C).

8a. El Segundo Art Walk: Requesting $38,000

- Operating budget to produce and implement programming for the one-and-a-half-day event
- Kick-Off event to be partnered with ESMoA with a music concert on Friday evening
- Duration of Saturday Art Walk: either 3pm to 9 pm or 12pm to 9pm (depending on business)

8b. Art Component within the ES Art Walk: Requesting $20,000

- ESAW plans to work with NOW Art to put out RFPs for a public mural and also a temporary AR (alternate reality) art installation in the City.
- ESAW will meet with a member of the City staff and ACC to review art plans.
- Mural location – 109’ north wall of John Labib & Associates’ building on Main Street.
- Location for AR installation – potentially City Hall Plaza (TBD).

SUMMARY

The ACC would like to ask the City Council to review, discuss, and provide feedback on the $326,000 in recommended FY 2022-2023 initiatives. Formal budget requests will be submitted for approval at the June 7, 2022 City Council budget meeting.

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion

Objective 1 B: El Segundo's engagement with the community ensures excellence.

Goal 3: Develop as a Choice Employer and Workforce

Objective: El Segundo is a city employer of choice and consistently hires for the future,

with a workforce that is inspired, world-class and engaged, demonstrating increasing stability and innovation.

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an appealing, safe and effective community.

Goal 5: Champion Economic Development and Fiscal Sustainability

Objective 5A: El Segundo promotes economic growth and vitality for business and the community.

PREPARED BY:
Sam Lee, Cultural Arts Coordinator
REVIEWED BY:
John Jones, Interim Community Services Director
APPROVED BY:

ATTACHED SUPPORTING DOCUMENTS:

1. Attachment A - ACC Presentation 4 19 22
2. Attachment B - RecapFY2021-2022-AllocatedProjects
3. Attachment C - Proposal from El Segundo Art Walk

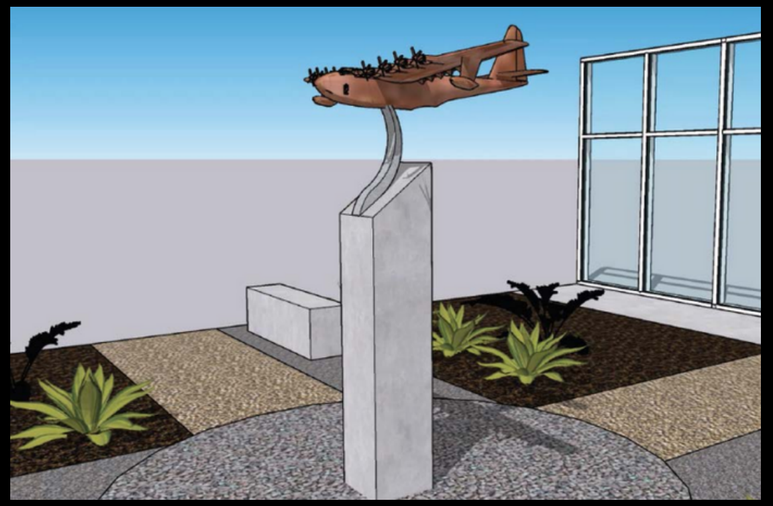
Arts and Culture Advisory Committee
FY 2021-2022 Updates and
Initiatives for FY 2022-2023 Budget

Public Art on Site 2021-2022

Supporting the City's Strategic Plan Goals 1, 4 and 5

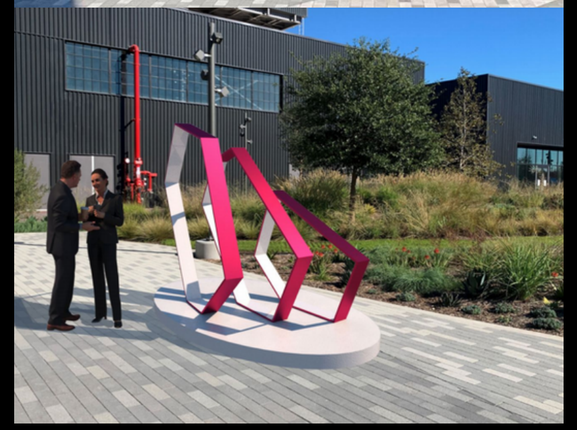
Nash + Grand at 2160 East Grand

- Jon Krawczyk's *Petit Grace*
- $58,000 public art valuation
- Dimensions 11' x 40" x 36"



Kinecta Federal Credit Union at 2100 Park Place

- Josh Everhorn's *Spruce Goose*
- $70,000 public art valuation
- Dimensions 6' wing span in diameter atop 8' pedestal



L'Oreal at 888 North Douglas Street

- Nicole Landau's *Wing and Cocoon*
- $210,000 public art valuation
- Dimensions 7'w x 7.5'h (Cocoon), 7' w x 7.5'h (Wing's tallest form)

Total Valuation of Public Art on Site FY 2021-2022: $338,000

FY 2021-2022 Initiative Updates

Supporting the City's Strategic Plan Goals 1, 2, 3, 4 and 5

Festival of Holidays ($60,000)

- Program developed as ACC + DEI collaboration with community input.
- Actual program cost $25,280
- Engaged 750+ community members through diverse cultural entertainment and food.

Poet Laureate ($8,000)

- Welcomed Hope Anita Smith as inaugural Poet Laureate. Selection committee comprised of ACC, DEI and library staff.
- 2-year term; $4,000 stipened FY 2021-2022

Outdoor Dining Enhancements ($55,000)

- *Art + Dine* created to enhance dining on 200 block of Richmond Street ($4,800)
- 8 artists commissioned to create art and poetry on Friday nights in October 2021
- Increase to restaurant dining and local tourism from surrounding cities

El Segundo Art Walk ($20,000)

- 5,000+ attendees exceeded expectations, including 31 participating businesses, 48 artists, 9 music acts, Bunnie Reiss mural at 431 East Grand

TEDx El Segundo ($50,000)

- Untouched $50,000
- Challenges include TEDx branding requirements, non-profit applicant status, solo website, etc.
- New direction to be presented for FY 2022-2023 includes El Segundo branded series of talks

Fiscal Impact for 2022-2023

- The Cultural Development Fund currently has a balance of $310,000 in unallocated funding.
- Expected fund balance for 2022-2023 is $800,000.
- The Arts and Culture Advisory Committee's recommendations for FY 2022-2023 total $321,000.
- City staff recommends maintaining a 20% fund balance reserve ($160,000).

ACC Proposed Initiatives for 2022-2023

Supporting the City's Strategic Plan Goals 1, 3, 4 and 5

Renewal of Approved 2021-2022 Initiatives for FY 2022-2023

1. **Poet Laureate**
2. **Festival of Holidays 2022**
3. **Cultural Arts Coordinator**

New Initiatives for FY 2022-2023

4. **Visual Artists in Community**
5. **Arts and Culture Community Engagement Fund**
6. **Operating Account**
7. **Second City Talks**
8. **El Segundo Art Walk 2022**

Poet Laureate Program

Supporting the City's Strategic Plan Goal 1

The Poet Laureate acts as a visible advocate of poetry, language and the arts while actively inspiring and promoting civic pride.

Engage the community.

- Explore the City and get to know community members
- Read original writing aloud at city-wide public events
- Lead writing workshops for community members (at ESPL, Park Vista, Joslyn Center, ESMoA, etc)

Inspire the community.

- Work with City staff and ACC to prepare media communications that encourage interest and excitement about poetry, literacy, literary events, and related subjects

Celebrate the City.

- Write at least one commemorative poem about El Segundo
- Partner with the Library and History Committee to tell our story

Poet Laureate Key Figures

Estimated cost for 2022-2023: $8,000 for second year stipend ($4,000) and related initiative costs including program supplies and publicity.

Timeframe: Two-year tenure. Hope Anita Smith engages with community, 2nd year of tenure.

Potential Partners:

- Arts and Culture Advisory Committee
- DEI Committee
- Community Services
- City Management and other City Departments
- El Segundo Chamber
- El Segundo Unified School District
- ESMoA
- Local restaurants and businesses

Festival of Holidays 2022

Supporting the City's Strategic Plan Goal 1 and 5

A one-day community event activating El Segundo's City Hall Plaza that celebrates winter cultural holidays through food, music, crafts, performance and hands-on workshops.

- **Holidays.** Five to six curated winter holidays to feature at the event, which would include Christmas, Hanukkah, Kwanzaa, Diwali, Nochebuena, and Omisoka, providing an accessible experience of diverse cultures fostering diversity, equity, inclusion.
- **Layout.** Presented in the City Hall Plaza, and on Main Street this event would include food booths, craft booths, a stage, lighting and themed signage.
- **Food and Drink.** The event will feature 5-8 vendors offering foods and drinks representative of the highlighted cultures. There will also be a beer and wine garden for guests 21+ to enjoy.
- **Music and Dance.** A stage will be constructed in the PD raised entry for both professional and local performing groups.

Festival of Holidays Key Figures

Estimated cost: $40,000

Timeframe: December 2022

Potential Partners:

Arts and Culture Advisory Committee
DEI Committee
Community Services
City Management and other City Departments
El Segundo Chamber
City service groups
ESMoA
Local food, beverage and craft vendors

Cultural Arts Coordinator

Supporting the City's Strategic Plan Goal 1, 4, 5

Budgeted $100,000 (75% funding for FT position)

- Oversees Cultural Development Program
- Facilitates 1% for Arts Program with developers (art-on-site and in-lieu fee options)
- Drafts and issues RFPs/RFQs for various artistic and cultural services
- Establishes collection management policy for visual art collection
- Develops arts and cultural programing for all ages to enjoy
- Applies for grants as appropriate
- Engages the community through arts and cultural experiences

Visual Artists in Community Program

Supporting the City's Strategic Plan Goal 1, 4 and 5

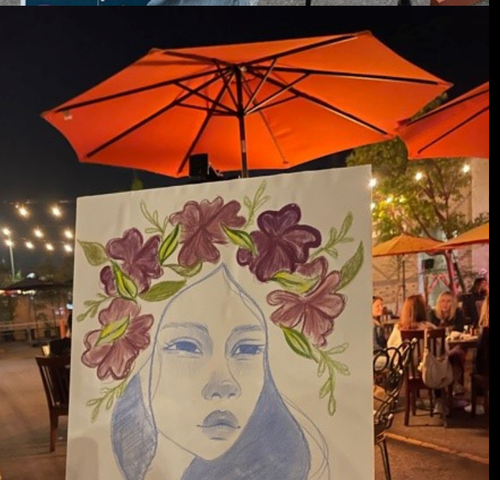
The Visual Artists in Community establishes a visual arts program whereby four visual artists are selected to represent El Segundo each year. One visual artist per quarter will engage with the community, similar to the Poet Laureate program

Outcomes:

- Public art - murals, permanent sculptures, and public artworks
- Hard art made in artists' studios, 2-dimensional pieces such as paintings, drawings, photography, printmaking, collage OR 3-dimensional pieces such as sculpture or assemblage

Benefits:

- Community engagement workshops for all ages
- Develop City's permanent art collection, adding value and creating anm art portfolio for the City
- Each selected artist donates one artwork (public mural or hard art) to the City at the end of their term (4 acquisitions per year)
- Beautify the City's environment and enrich the experience of residents, businesses and visitors
- Establish El Segundo as a cultural placemaking destination that encourages tourism and increases revenue for local businesses



Visual Artists in Community Key Figures

Estimated cost: $35,200. Four artists/year, 3-month tenure, $6,000 stipend/artist, $1,000/artist for supplies

Proposal development honorarium $7,200 (12 artist submissions for final artist selection, $600 honorarium/artist to develop proposal)

Timeframe: July 2022 to June 2023

Potential Partners:

Arts and Culture Advisory Committee
DEI Committee
Community Services
City Management and other City Departments

Arts and Culture Community Engagement Fund

Supporting the City's Strategic Plan Goal 1 and 5

A fund to implement short-term art and cultural experiences that involve community engagement and participation. The programs will be vetted by City staff and approved by Community Services Director and City Manager.

Types of Art and Cultural Experiences

- Music performances, cultural performing arts, theatrical arts, visiting speaker series (Dr. Valery Lanyi holocaust survivor talk), visionaries, artists, designers, etc
- Other short-term arts and cultural initiatives that may arise

Benefits to El Segundo

- Encourage community participation and engagement for people of all ages
- Activate City-owned locations such as City Hall Plaza, Library Park, Farmers Market, and private businesses such as Old Town Music Hall, Main and Richmond Stree eateries
- Educate and enrich the lives of residents and visitors

Arts and Culture Community Engagement Fund Key Figures

Estimated cost: $35,000

Timeframe: July 2022 to June 2023

Potential Partners:

Arts and Culture Advisory Committee
DEI Committee
Community Services
City Management and other City Departments

Operating Account 2022

Recommended by City's CFO

Estimated cost: $10,000 to be transferred into already established subaccount within the Cultural Development Fund, as recommended by the City's CFO.

Timeframe: July 2022 to June 2023

Types of Art Services Needed:

- Physical supplies supporting approved art and cultural programs (art supplies, framing, matting, exhibition preparation supplies, paints, etc.
- Collection management such as documentation, record keeping, maintenance and conservation/restoration
- Marketing/promotion of art and cultural programs (printing expenses, purchased advertisements, in etc)

Benefits to El Segundo:

- Implement approved art and cultural programs with appropriate supplies
- Establish collections management policy and practices
- Develop a digital archive of art collection and cultural programs (database, archiving digital assets, strengthening the promotion of events through purchased ads in local newspapers, magazines, etc.)

Second City Talks Program

Supporting the City's Strategic Plan Goals 1, 3 and 5

A one-day TEDx-like event that showcases the innovation and creativity of our community while bringing people together.

Speakers and program.
8 to 10 speakers, which may include scientists, entrepreneuers, or visionaries who are living or working in El Segundo. The speakers will be selected through a jury of members from the ACC, EDAC and DEI committees.

Duration.
One day event each year in spring.

Venue.
El Segundo High School Performing Arts Center or a campus of a local business.

Benefits to El Segundo:

- Highlight innovative and creative stakeholders abd community members
- Promote El Segundo as the home to multiple Fortune 500 companies and major sports franchises
- Develop partnerships with neighboring organizations
- Attract potential companies to El Segundo, as a safe, innovative and prepared community - a hub where big ideas take off

Second City Talks
Key Figures

Estimated cost: $35,000

Timeframe: July 2022 to June 2023

Potential Partners:

Arts and Culture Advisory Committee
DEI Committee
Community Services
City Management and other City Departments

Art Walk 2022

Mission: To improve the local community, inspire culture and create economic opportunities for artists, galleries, and businesses in El Segundo.

8a. **El Segundo Art Walk:** Requesting $38,000

- Operasting budget to produce and implement programming for the one-and-a-half-day event
- Kick-Off event to be partnered with ESMoA with music concert on Friday evening
- Duration of Saturday Art Walk: either 3pm to 9pm or 12pm to 9pm (depending on businesses)

8b. **Art Component within the ES Art Walk:** Requesting $20,000

- ESAW plans to work with NOW Art to issue RFPs for a public mural and also a temporary AR (augmented reality) art installation in the City
- ESAW will meet with a member of ACC and Cultural Arts Coordinator to review art plans
- Mural location - 109' wall of engineering firm on Main Street (across the alley from Eagle Dry Cleaners)
- AR installation location - potentially City Hall Plaza (TBD)

Total requested funds 8a + 8b: $58,000

ARTS AND CULTURE ADVISORY COMMITTEE REPORT
ATTACHMENT A - RECAP OF FISCAL YEAR 2021-2022 ALLOCATED PROJECTS:

- Festival of Holidays: On Friday, December 3, 2021, the City celebrated winter cultural holidays through food, music, crafts, and hands-on workshops in the City Hall Plaza ($60,000)
    - Program was developed with community feedback and DEI recommendations
    - Spent $25,280 in total with approximately $35,000 unused fund remaining
    - Variety of entertainment provided: Mexican folklorico dancing, African and Japanese drumming, Kwanzaa storytelling, holiday-related marionette puppet performance, Christmas music performed by El Segundo High School students, and volunteer-led, hands-on craft-making stations for attendee participation
    - $1,300 worth of tickets sold from city-owned concession stands managed by volunteers from the community and City-approved committee members; the collected funds went back into the Cultural Development Fund account
    - Over 750 people attended the event

- Poet Laureate: Award-winning poet Hope Anita Smith was selected through a rigorous selection process by three individuals: each from the DEI Committee, ACC, and Library staff. Serving a two-year tenue, Ms. Smith is an advocate for poetry, language, and the literary arts who actively inspires and promotes civic pride ($8,000).
    - Public readings at the March 1 City Council Meeting and upcoming reading and book signing at the El Segundo Public Library
    - Ms. Smith led an inspiring poetry workshop with the public; event was partnered with ESMoA on March 11
    - A variety of community workshops and events are being planned and organized for the remaining year and a half of Ms. Smith's tenure; some with other City Departments including a *Daddy and Me Poetry Program* at Fire Station No. 1 on Sunday, June 12, 10am

- Outdoor Dining Enhancements: ($55,000)
    - *Art+Dine* was created to enhance outdoor dining on the 200 block of Richmond Street: $4,800 spent in total
    - 8 artists were commissioned to create art and poetry in person on Friday nights in October 2021
    - Approximately $50,000 unused fund remaining
    - Due to the ever-changing restrictions of COVID-19 protocols, the beautification of the orange barricades on Main Street was not able to be completed, thus the surplus of unused funds

- El Segundo Art Walk 2021: Improved the local community, inspired culture, and created economic opportunities for artists, art galleries and businesses ($20,000)
    - Participation exceeded expectations including 31 businesses, 48 artists, 9 musical acts, a new editioned ESAW Magazine, and a large format mural

- Expanded event that included the closure of Eucalyptus Drive

Unused FY 2021-2022 initiative funding remains in the Cultural Development Program Fund. City staff recommends maintaining a 20% fund balance reserve.

Mission:
To improve the local community, inspire culture and create economic opportunities for artists, galleries and businesses in El Segundo.

2021 Recap:
Last August, the El Segundo Art Walk experienced success during a challenging period of time. Participation exceeded expectations including 31 Business, 48 Artists, 9 Musical Acts, a new ESAW Magazine publication, and a large format mural. Overall, El Segundo Art Walk accomplished its main goal of bringing the community together.

2022 Look Ahead

1. Safety remains a concern
ESAW be coordinating with multiple city and county officials about safety measures and procedures. We will continue to communicate a clear and unified message to attendees and artists regarding Covid-19.

2. ESAW Friday & Saturday:

Friday, August 26th:

- Kickoff Event: 5:30PM-7:30PM at ESMoA
  Programming and details are still in early planning.
- Nighttime Concert: 7:30PM-9:00PM
  Programming and details are still in early planning.

Saturday, August 27th:

- 1 Day Event: 3:00PM-9:00PM or 12:00PM-9:00PM (depending on business)
  Similar to 2021, the longer event times are designed to spread out the attendees and provide more flexibility for attendees to experience the Art Walk.

Proposed Event Budget: $38,000

3. Art Installation + Now ART

- ESAW plans to work with NowART to put out an RFP for a semi-permanent and temporary art installation in the City of El Segundo. This would build on the success of the 2021 Bunnie Reiss Mural
- Supplementary budget: $20,000.

4. ESAW Planning

Business Focused

- A centralized and more standardized plan for participating business will create a more cohesive experience and better engagement with attendees. We want to highlight the artists along with the participating business

Outdoor focused

- ESAW plans to encourage business to keep the majority of the event outside and create flow. Two outdoor parking lots will host entertainment, art work, and concessions along with a controlled number of businesses and galleries.

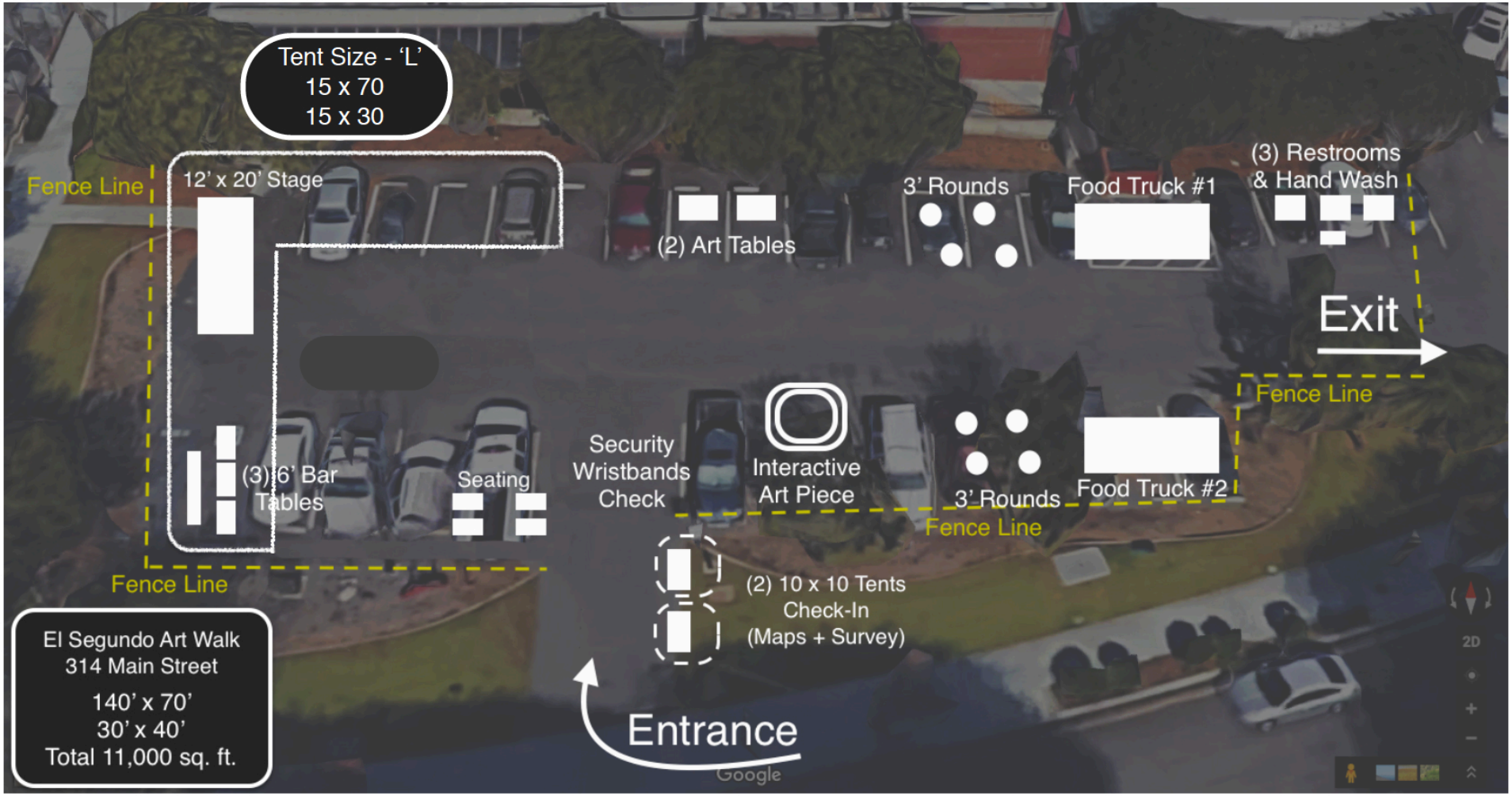
5. Arts and Culture Committee Participation

- ESAW would like to meet with a member of the Arts and Culture Committee to review plans build a strong partnership through the ESAW planning phase.

Expenses: Projections

			2022Aug
Production / Event	*Monthly totals:*	*Vendor*	$16,200
	Tent + Event Rentals	Above the Top Rentals	$9,000
	Stage Platform Parking Lot	Above the Top Rentals	INC
	Fencing	Above the Top Rentals	INC
	Bathroom Rental	Diamond Envionmental	$1,200
	Mobile Stage Estimate	City of El Segundo	$2,000
	Sound + Engineer	Bell Events	$4,000
Entertainment + Staffing	*Monthly totals:*		$6,800
	Live Music	(4) bands:	$2,500
	DJ + Sound for HQ Parkinglot	Rental	$700
	Art Installaion		-
	Mural Supplies		-
	Additional Mural		-
	Hotel Room		-
	Production Assistants		$1,000
	Security	First Team Security	$1,600
	Photographer		$0
	Transportation (Swoop)		$0
	Cleaning Crew		$1,000
Marketing	*Monthly totals:*		$3,978
	Paid Media Marketing	Cohen Marketing	$600
	Banner Advertisement	City of El Segundo	$178
	Facebook Advertising	Facebook.com	$1,000
	Facebook Promotions	Facebook.com	$0
	Youtube Advertising	Youtube.com	-
	Instagram Advertising	Instagram.com	$1,000
	Flyer Artwork		$500
	Local Print Advertising	Beach Life Magazine	$700
Printing	*Monthly totals:*		$491
	Map Printing + Posters		$360
	Banner Print		-
	Poster Print		$131
Permits / Insurance	*Monthly totals:*		$1,699
	ABC License	City of Los Angeles	$225
	City Special Event Parks And Rec	City of El Segundo	$60
	City Special Event Permit #2	City of El Segundo	$262
	City Fire Department	ESFD	-
	Event Insurance	Krouse Insurance	$1,152
Production Materials + Meals	*Monthly totals:*		$400
	IPADS + Equipment	Walmart + Target + ATT	$200
	Food + Employee Meals	Day of Events	$0
	Wristbands	Wristbands.com + Party City	$200
	Masks		-
Web Development			-
	Additional Web Development		$1,500
Cost of Good			-
	Food, Beverage, Supplies + Labor		$$$
Production Management			-
	El Segundo Art Walk Planning + Development		$7,000
Total Cost			$38,068

El Segundo Art Walk
Street Closure: Eucalyptus Dr
Mobile Stage: Eucalyptus Dr
Date: Saturday, August 27th
Closure
Stage
BAND LOAD IN & OUT
Enter down Eucalyptus. You will see the street closure barricades. Park here to unload.
Closure
Bathrooms
ART
Beer Garden
Food Trucks
Closure
Rite Aid
Delivery
El Segundo Pet Resort
E Franklin Ave
Google


Tent Size - 'L'
15 x 70
15 x 30
Fence Line
12' x 20' Stage
(2) Art Tables
3' Rounds
Food Truck #1
(3) Restrooms
& Hand Wash
Exit
Fence Line
(3) 6' Bar
Tables
Seating
Security
Wristbands
Check
Interactive
Art Piece
3' Rounds
Food Truck #2
Fence Line
Fence Line
(2) 10 x 10 Tents
Check-In
(Maps + Survey)
El Segundo Art Walk
314 Main Street
140' x 70'
30' x 40'
Total 11,000 sq. ft.
Entrance
Google

City Council Agenda Statement

Meeting Date: April 19, 2022
Agenda Heading: Committees, Commissions and Boards Presentations
Item Number: E.24

TITLE:

Appointments to the Diversity, Equity, and Inclusion Committee

RECOMMENDATION:

1. Announce the appointments to the Diversity, Equity, and Inclusion Committee

FISCAL IMPACT:

None

BACKGROUND:

The Diversity, Equity, and Inclusion Committee (DEI) was established July 21, 2020, for the purpose of advising the City Council on issues of diversity, equity, and inclusion. This work includes examination of four key City areas to produce a clear picture of the current practices, as well as the El Segundo community's sentiments towards these practices. Upon finding areas for improvement, the DEI Committee shall make recommendations to City Council intended to address any marginalized or underrepresented segment of our community. The Committee is a standing advisory committee that serves at the behest of the City Council. The four initial study topics are as follows: 1) Public Safety (including a review of Police Department policies, practices, training, and future directions), 2) Citywide Organization (including a review of City government policies, practices, training, etc.) 3) Community At-large (including a review of City demographic data, history, trends, etc.) 4) Local Economy (including a review of private sector diversity policies, training, etc.)

DISCUSSION:

The Diversity, Equity, and Inclusion Committee is a 9-member committee, comprised of residents or property owners, business members, or students of a public or private school based in El Segegundo.

Announce the following appointees to the DEI Committee:

Appointee	Term Expiration
Joseph (Michael) Lipsey	Full Term – October 31, 2025
Rebecca Yussman	Full Term – October 31, 2025
Genesis Jackson	Partial Term – October 31, 2023

CITY STRATEGIC PLAN COMPLIANCE:

Goal 1: Enhance Customer Service, Engagement, and Communication; Embrace Diversity, Equity, and Inclusion.

Objective 1 B: El Segundo's engagement with the community ensures excellence.

PREPARED BY:
Mishia Jennings, Executive Assistant to City Council
REVIEWED BY:
Barbara Voss, Deputy City Manager, Darrell George, Interim City Manager
APPROVED BY:
Barbara Voss, Deputy City Manager

ATTACHED SUPPORTING DOCUMENTS:

None